

**State of Illinois**

**1999**

**Comprehensive Annual  
Financial Report**



State of Illinois

COMPTROLLER

Daniel W. Hynes

For Fiscal Year Ended June 30, 1999

# INTRODUCTORY SECTION

The Introductory Section includes the table of contents, Comptroller's letter of transmittal, Certificate of Achievement for Excellence in Financial Reporting and the State of Illinois' organizational chart.





# Comprehensive Annual Financial Report

## Table of Contents

	Page		Page
<b>I. Introductory Section</b>		Pension Trust Funds-Schedule of Funding Progress.....	91-92
Table of Contents.....	11 - 14	<b>Combining and Individual Fund Financial Statements</b>	
Comptroller's Letters of Transmittal.....	15 - 137	<b>General Fund</b>	
Certificate of Achievement.....	138	Combining Schedule of Accounts-General Fund.....	93
Organization Chart.....	139	Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Fund Balance-General Fund.....	94
<b>II. Financial Section</b>		Combining Schedule of Accounts-General Fund-Medicaid Provider Assessment Program.....	95
Report of Auditor General.....	1-2	Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Fund Balance-General Fund Medicaid Provider Assessment Program.....	96
<b>General Purpose Financial Statements</b>		<b>Special Revenue Funds</b>	
Combined Balance Sheet-All Fund Types, Account Groups and Discretely Presented Component Units.....	3-5	Significant Special Revenue Funds Descriptions.....	97
Combined Statement of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Fund Balances-All Governmental Fund Types, Expendable Trust Funds and Discretely Presented Component Units.....	6-7	Combining Balance Sheet-Special Revenue Funds.....	98-99
Combined Statement of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances-Budget and Actual (Non-GAAP)-All Budgeted Fund Groups.....	8-11	Combining Statement of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Fund Balances-Special Revenue Funds.....	100-101
Combined Statement of Revenues, Expenses, and Changes in Retained Earnings/Fund Balances-All Proprietary Fund Types, Nonexpendable Trust Funds, and Discretely Presented Component Units.....	12	Combining Balance Sheet-Department of Commerce and Community Affairs.....	102
Combined Statement of Cash Flows-All Proprietary Fund Types, Nonexpendable Trust Funds and Discretely Presented Component Units.....	13	Combining Statement of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Fund Balances-Department of Commerce and Community Affairs.....	103
Combining Statement of Changes Net Assets-Pension and Investment Trust Funds.....	14	Combining Balance Sheet-Department of Natural Resources.....	104
Combining Statement of Changes in Fund Balances-University Component Units.....	15-17	Combining Statement of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Fund Balances-Department of Natural Resources.....	105
Combining Statement of University Current Funds-Revenues, Expenditures and Other Changes-University Component Units.....	18-21	Combining Balance Sheet-Department of Human Services.....	106-107
Index of Notes to the Financial Statements.....	22	Combining Statement of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Fund Balances-Department of Human Services.....	108-109
Notes to the Financial Statements.....	23-86		
<b>Required Supplementary Information.....</b>	<b>87</b>		
Year 2000 Disclosure.....	88-90		

	Page		Page
Combining Balance Sheet-Department of Revenue.....	110-111	Combining Balance Sheet-Department of Central Management Services.....	136
Combining Statement of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Fund Balances-Department of Revenue.....	112-113	Combining Statement of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Fund Balances-Department of Central Management Services.....	137
Combining Balance Sheet-Department of Transportation.....	114-115	Combining Balance Sheet-Capital Development Board.....	138
Combining Statement of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Fund Balances-Department of Transportation.....	116-117	Combining Statement of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Fund Balances-Capital Development Board.....	139-140
Combining Balance Sheet-Other Code Departments.....	118	<b>Enterprise Funds</b>	
Combining Statement of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Fund Balances-Other Code Departments.....	119	Significant Enterprise Funds Descriptions.....	141
Combining Balance Sheet-Environmental Protection Agency.....	120	Combining Balance Sheet-Enterprise Funds.....	142
Combining Statement of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Fund Balances-Environmental Protection Agency.....	121	Combining Statement of Revenues, Expenses and Changes in Retained Earnings-Enterprise Funds.....	143
Combining Balance Sheet-State Board of Education.....	122	Combining Statement of Cash Flows-Enterprise Funds.....	144
Combining Statement of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Fund Balances-State Board of Education.....	123	Combining Balance Sheet-Department of Central Management Services.....	145
Combining Balance Sheet-Other Agencies, Boards and Authorities.....	124	Combining Statement of Revenues, Expenses and Changes in Fund Balances-Department of Central Management Services.....	146
Combining Statement of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Fund Balances-Other Agencies, Boards and Authorities.....	125-126	Combining Statement of Cash Flows-Department of Central Management Services.....	147
<b>Debt Service Funds</b>		Combining Balance Sheet-Student Assistance Commission.....	148
Significant Debt Service Funds Descriptions.....	127	Combining Statement of Revenues, Expenses and Changes in Fund Balances-Student Assistance Commission.....	149
Combining Balance Sheet-Debt Service Funds.....	128	Combining Statement of Cash Flows-Student Assistance Commission.....	150
Combining Statement of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Fund Balances-Debt Service Funds.....	129-130	<b>Internal Service Funds</b>	
<b>Capital Projects Funds</b>		Significant Internal Service Funds Descriptions.....	151
Significant Capital Projects Funds Descriptions.....	131	Combining Balance Sheet-Internal Service Funds.....	152
Combining Balance Sheet-Capital Projects Fund.....	132-133	Combining Statement of Revenues, Expenses and Changes in Retained Earnings-Internal Service Funds.....	153
Combining Statement of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Fund Balances-Capital Projects Funds.....	134-135	Combining Statement of Cash Flows-Internal Service Funds.....	154
		Combining Balance Sheet-Department of Central Management Services.....	155



	Page		Page
Combining Statement of Revenues, Expenses and Changes in Retained Earnings-Department of Central Management Services.....	156	Combining Balance Sheet-Governmental Funds.....	182-183
Combining Statement of Cash Flows-Department of Central Management Services.....	157-158	Combining Statement of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Fund Balances-Governmental Funds.....	184-185
<b>Trust and Agency Funds</b>		Combining Balance Sheet-Proprietary Funds.....	186-187
Significant Trust and Agency Funds Descriptions.....	159	Combining Statement of Revenues, Expenses and Changes in Retained Earnings-Proprietary Funds.....	188-189
Combining Balance Sheet-Trust and Agency Funds.....	160	Combining Statement of Cash Flows-Proprietary Funds.....	190-192
Combining Balance Sheet-Expendable Trust Funds.....	161	<b>Budgetary Schedules</b>	
Combining Statement of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Change in Fund Balances-Expendable Trust Funds.....	162	Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances-Budget and Actual (Non-GAAP)	
Combining Statement of Net Assets-Pension Trust Funds.....	163	<b>General Funds.....</b>	<b>193-195</b>
Combining Statement of Changes in Net Assets-Pension Trust Funds.....	164	<b>Highway Funds.....</b>	<b>196-199</b>
Combining Statement of Net Assets-Investment Trust Funds.....	165	<b>University Funds.....</b>	<b>200</b>
Combining Statement of Changes in Net Assets-Investment Trust Funds.....	166	<b>Special State Funds.....</b>	<b>201-203</b>
Combining Balance Sheet-Agency Funds.....	167	..Code Departments.....	204-207
Combining Balance Sheet-Department of Revenue.....	168	..Department of Central Management Services.....	208-209
Combining Statement of Changes in Assets and Liabilities-All Agency Funds.....	169-172	..Department of Commerce and Community Affairs.....	210-211
<b>General Fixed Assets Account Group</b>		..Department of Human Services.....	212-213
Schedule of Changes in General Fixed Assets.....	173	..Department of Public Aid.....	214-215
Schedule of Changes in General Fixed Assets-By Function.....	173	..Department of Revenue.....	216-219
Schedule of General Fixed Assets-By Function.....	174	..Department of Transportation.....	220-221
<b>General Long-Term Obligations Account Group</b>		..Other Code Departments.....	222-224
Schedule of Changes in General Long-Term Obligations.....	175-176	..Agencies, Boards and Commissions.....	225-227
<b>Component Units</b>		..Environmental Protection Agency.....	228-229
Significant Component Units Descriptions.....	177-178	..State Board of Education.....	230-231
Combining Balance Sheet-All Fund Types and Account Groups.....	179-181	..Other Agencies, Boards and Commissions.....	232-233
		<b>Bond Financed Funds.....</b>	<b>234-235</b>
		..Capitol Development Board.....	236-237
		<b>Debt Service Funds.....</b>	<b>238-239</b>
		<b>Federal Trust Funds.....</b>	<b>240-241</b>
		..Code Departments.....	242-243
		..Department of Commerce and Community Affairs.....	244-245
		..Department of Human Services.....	246-248
		..Other Code Departments.....	249-251
		..Agencies, Boards and Commissions.....	252-253
		..State Board of Education.....	254-255

	Page		Page
<b>Revolving Funds</b> .....	256-257	Employment/Unemployed.....	277
..Department of Central Management Services.....	258-259	Employment by Industry.....	277
<b>State Trust Funds</b> .....	260-262	Contracts for Future Construction and Residential Building Activity.....	278
..Department of Central Management Services.....	263-265	Sales of all Retail Stores.....	278
..Department of Revenue.....	266-268	Cash Receipts from Farm Marketings.....	279
Combined Statement of Revenues, Expenditures, Other Sources and Uses of Financial Resources- GAAP Basis-All Governmental Fund Types and Expendable Trust Funds.....	269-271	Largest Manufacturers.....	280
Ratio of General and Special Obligation Bonded Debt to Assessed Value and Net Bonded Debt Per Capita.....	272	Bituminous Coal Production.....	280
Ratio of Annual Debt Service for General and Special Obligation Debt to Total Revenues and Expenditures- GAAP Basis-All Governmental Fund Types.....	273	<b>Public Accountability Report</b>	
Revenue Bond Coverage-Proprietary.....	274	Explanatory Notes.....	281-282
Revenue Bond Coverage-University .....	275	Index to the Public Accountability Report.....	283-284
<b>Economic</b>		Survey of Citizen Satisfaction.....	285-299
Population by Age Group.....	276	Service Efforts and Accomplishments (SEA) Reports.....	300-395
Total Personal Income.....	276		



December 30, 1999

*A Message for Illinois Citizens,  
Governor George Ryan,  
and Members of the Illinois General Assembly:*

I am proud to present to you the **State of Illinois Comprehensive Annual Financial Report (CAFR)** for the fiscal year ended June 30, 1999. This year's expanded CAFR presents the State of Illinois' financial position, results of operation in accordance with generally accepted accounting principles (GAAP) as prescribed in pronouncements of the Governmental Accounting Standards Board (GASB), and Service Efforts and Accomplishments (SEA) reporting on the outcomes of 85% of the State's budget.

For the first time in six years, the **CAFR reports a deterioration of the State's General Fund GAAP balance totaling \$90 million, increasing the GAAP deficit to \$303 million.** The fiscal year 1999 decline in the GAAP balance is attributable to an increase in Section 25 liabilities and transfers to the Illinois FIRST infrastructure improvement program. The strength of the economy has driven the deficit back to a more reasonable level since fiscal year 1993 when the deficit stood at \$1.916 billion. However, we must remain vigilant in budgetary decisions to maintain prudent fiscal practices to keep healthy balances. The decline in the GAAP balance underscores the necessity of establishing a "Rainy Day Fund" for Illinois by illustrating that improving cash balances do not necessarily equal budget surpluses. Illinois should use these good economic times to prepare for those times when the economy falters.

**The accompanying report is divided into four sections: introductory, financial and statistical, economic, and service efforts and accomplishments.** Responsibility for the accuracy of the data as well as completeness and fairness of the presentation of this report rests with my Office and other State agency management. This report necessarily includes certain amounts which are based on management's best estimates and judgments. This is the first year the SEA report was prepared in conjunction with an overall strategic planning effort spearheaded by the Governor's Office. Representative of our efforts in reporting the outcomes of agency efforts, is recognition by GASB as an experimental site for SEA reporting.

CONTINUED...

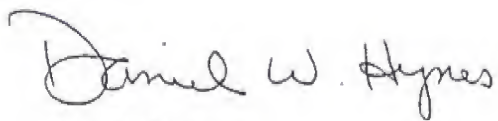


---

This CAFR includes a copy of the **15th Certificate of Achievement for Excellence in Financial Reporting** awarded to the State of Illinois by the Government Finance Officers Association (GFOA) for last year's CAFR. This certificate is a prestigious national award which recognizes conformance with the highest standards for preparation of state and local governmental financial reports.

We now begin to look to the future to find ways to make this report and others issued by our Office more readily available to the general public. We welcome any comments and suggestions at **our web site** at **[www.ioc.state.il.us](http://www.ioc.state.il.us)**. We look forward to hearing from you.

Sincerely,



Daniel W. Hynes  
Comptroller

**GOVERNMENTAL ACCOUNTING STANDARDS BOARD**

401 Merritt 7, P.O. Box 5116, Norwalk, Connecticut 06856-5116 | 203-847-0700  
Fax: 203-849-9714



December 15, 1999

The Honorable Daniel W. Hynes  
Comptroller  
State of Illinois  
201 State Capitol Building  
Springfield, IL 62706

Dear Comptroller Hynes:

We are pleased to continue the designation of the State of Illinois as an official GASB service efforts and accomplishments (SEA) experimentation site.

The Board is moving forward with its efforts to lead and sponsor research into how governmental financial reports can be strengthened by including SEA measures, as well as establishing standards for traditional financial data and information. The Board believes that Statement 34 will improve the quality and usefulness of the financial data reported in the annual financial report and that efforts such as yours can lead to improvements in the reporting of additional information valuable in assessing the results of government services.

As a basis for moving to a point where the Board can consider establishing guidelines and standards for SEA reporting, we have been strongly encouraging state and local governments to undertake experiments in developing and selecting relevant SEA measures, gathering data on these measures, using these measures for decision making, and devising methods for presenting and explaining this information.

The Board is very interested in the State's efforts to include a section in the CAFR with various SEA measures for selected programs. The State of Illinois has taken a leadership role in providing comprehensive performance information, including SEA measures, in the CAFR.

Your continuation of this experiment in expanded accountability reporting helps advance the GASB research in monitoring how this information can be communicated to citizens and other users. We gratefully acknowledge and applaud your efforts and assure you that we will support and assist you in any way we can.

Sincerely,

A handwritten signature in dark ink, appearing to read "Tom L. Allen".

Tom L. Allen  
Chairman

A handwritten signature in dark ink, appearing to read "David R. Bean".

David R. Bean  
Director of Research

**This Page Intentionally Left Blank**





December 30, 1999

To the Citizens of the State of Illinois, Honorable George Ryan, Governor and Honorable Members of the General Assembly:

I am pleased to present to you the *State of Illinois Comprehensive Annual Financial Report* ("CAFR") for the year ended June 30, 1999. The CAFR is the State's official annual report and provides the readers with the financial position of the State at June 30, 1999, and results of operations during the fiscal year. The report is intended to provide the State's managers, investors and creditors, taxpayers, the legislature, and other users with information in accordance with generally accepted accounting principles ("GAAP"). The statements are presented using the "pyramid" approach to governmental financial reporting as prescribed in pronouncements of the Governmental Accounting Standards Board ("GASB"). Responsibility for the accuracy of the data as well as the completeness and fairness of presentation of this report rests with my Office and other State agency management. This report necessarily includes certain amounts which are based on management's best estimates and judgments.

The CAFR is presented in the following sections: introductory; financial; statistical and economic, and Service Efforts and Accomplishments (SEA) reporting. The *introductory section* includes the table of contents, the Comptroller's letter of transmittal and SEA Performance Measurement Initiative, and the State's organization chart. The *financial section* includes the Auditor General's report on

the financial statements, the general purpose financial statements, required supplementary information and the combining and individual fund financial statements and schedules. The *statistical and economic section* includes selected demographic and business data, generally on a multi-year basis. The SEA reporting section includes the State's report for fiscal year 1999.

The accompanying financial statements are prepared in conformity with GAAP applicable to state governments as prescribed by the GASB. This office strongly supports the GASB, contributed to its formation and participates in the development of pronouncements, providing testimony at public hearings and submitting comments and recommendations as proposed standards are distributed for exposure.

The CAFR includes all funds, account groups, elected offices, departments and agencies of the State, as well as all boards, commissions, authorities, universities and colleges for which the State's executive or legislative branches are financially accountable. The financial statements distinguish between primary government organizations and component units. The primary government is the nucleus of the financial reporting entity and is the focal point for the users of the financial statements. The primary government of the State consists of all the organizations that make up its legal entity.

All funds, departments, agencies, offices and other organizations that are not legally separate are, for financial reporting purposes, part of the State or another entity's primary government. Component units are legally separate organizations for which the State is financially accountable.

The financial activities of the State are organized on the basis of individual funds and account groups, each of which is a separate accounting entity segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with specific regulations, restrictions and limitations. The reporting entity, fund types and account groups are described in detail in Note 1 to the financial statements. To ensure readability of the financial statements, generally only funds with total assets, liabilities, fund equity, revenues or expenditures greater than 2% of the total for that fund type are presented separately in the combining statements, except component units where all units are presented and special revenue funds where .5% of the total are presented.

Combination of funds is necessary due to the existence of more than 700 funds in the State's reporting entity. Funds used by more than one agency are classified with what is determined to be the primary administering agency.

Universities, and their related foundations and alumni associations are reported as "discretely presented component units." The Combined Statements of Changes in Fund Balances and Current Funds Revenues, Expenditures and Other Changes for university and college funds are presented separately within the general purpose financial statements in conformity with GAAP.

An organizational chart, showing the relationships between the Citizens of the State of Illinois, the three branches of Illinois State government and those of the various agencies, boards, commissions and universities which provide a full range of State government services, is presented on page I-39.

## ECONOMIC AND FISCAL OUTLOOK

### ECONOMIC OUTLOOK

The Illinois economy experienced another year of strong economic growth during fiscal year 1999. An extremely strong domestic economy offset the impact of low world commodity prices on Illinois' trade sensitive agricultural sector, related agribusinesses such as the Illinois agricultural machinery industry, and other export dependent industries.

Illinois came out of the economic crisis of the 1980's with many innovative aggressive businesses able to compete on an equal footing with competitors throughout the world. Illinois companies have scored well in this highly competitive economic environment. The continued success of the Illinois economy is apparent with a 689,000 or 13.1% increase in jobs since fiscal year 1990 and a 4.3% average unemployment rate for fiscal year 1999, the second consecutive year Illinois unemployment has averaged below 5%.

Home to such major exporters as Caterpillar, Motorola, and Abbott Labs, Illinois merchandise exports totaled \$33.8 billion during 1998 – sixth highest among the states. Illinois exports were down 1.1% in calendar 1998 and up 66.3% between 1993 and 1998. Nationally, the value of exports was up 47.9% during the period.

Manufacturing exports are led by industrial machinery and computers accounting for 27.9% of exports in 1998 followed by electric and electronic equipment accounting for 19.4%. The next four largest manufacturing export sectors were chemical products (12.6%), transportation equipment (7.8%), food products (5.5%), and scientific and measuring instruments (5.1%).

Illinois ranked third in agricultural export sales in 1998 with total agricultural exports valued at \$3.1 billion – down \$650 million or 17.3% from the prior year. Specialization in corn and soybean production is reflected in Illinois' rank as the



second largest exporter of each crop. Depressed commodity prices, due in large part to dwindling demand from East Asia, are putting financial stress on the Illinois farm sector. The impact of low prices has been offset in part by increased government payments, but an increasing number of farmers could falter if there is no future revival of weak product prices.

Illinois' success in the competitive world market has been based on technical expertise and a strong resource base rather than low labor costs as the state has maintained its position as one of the country's wealthiest states. Illinois per capita income during fiscal year 1999 stood at \$29,806, or \$2,612 (9.6%) greater than the national average.

The Illinois economy takes advantage of its many natural strengths. During 1998 the State was the second largest producer of corn and soybeans and the fourth largest producer of hogs. Illinois agri-business has developed to add value to these products. Illinois is the number one ethanol producer among the states. With such major Illinois companies as Archer Daniels Midland and A.E. Staley (both headquartered in Decatur, the soybean capital of the world), Illinois produces a wide variety of specialized products based on corn and soybeans.

Illinois continues to be home to major producers of heavy equipment. Examples include agricultural equipment (such as the Deere plants in the Quad Cities), construction equipment (Caterpillar, which is based in Peoria and is the world's largest earth moving equipment company), and machine tools (a specialty of the Rockford area). Illinois manufacturing payrolls have been stable in recent years with an average of 974,000 Illinoisans holding manufacturing jobs during fiscal year 1999. Illinois manufacturing employment has recovered from a low of 921,000 jobs during fiscal year 1992.

Illinois' central location makes it the logical transportation hub for the nation. Illinois is home to O'Hare airport, the nation's busiest, and an excellent highway and railroad network. The low distribution costs from basing an operation in Illinois allow for the continued generation of new jobs in

transportation and merchandising. During fiscal year 1999 350,000 Illinoisans were employed in the transportation, communications, and public utilities sector, while over 1.3 million were employed in wholesale and retail trade.

The state's role as the central distribution point for agricultural commodities allowed it to develop the world's leading futures market. Illinois continues to be a national leader in financial industries such as banking, derivatives trading, and insurance and is corporate headquarters for many of the country's leading companies. Illinois is also home to an emerging venture capital industry which provided \$439 million in funds to Illinois start-ups during fiscal year 1999. Finance, insurance, and real estate firms employed an average of 408,000 Illinoisans during the year.

As home to 39 of the Fortune 500 companies, Illinois ranked third among the states, trailing only New York and California. It is uncertain how the wave of super mergers, as companies seek to increase their size in response to competitive pressures, will impact Illinois' role as a headquarters state for major corporations. Illinois has recently lost the headquarters of some of its largest firms through the Amoco merger with BP and the Ameritech merger with SBC Communications Inc.

Illinois' reputation for research and technical innovation is well founded. Illinois is home to major government research laboratories such as the Argonne National Laboratory and the Fermi National Accelerator Lab, major private research labs such as those operated by Amoco Oil and Tellabs, major private universities including Northwestern University and the University of Chicago, and the state's network of nine public universities including the University of Illinois home of the Beckman Institute. The brainpower generated from these institutions continues to make Illinois a major center for technological advancement and a logical location for the production of advanced products.



## Forecast for the Future

The most recent economic forecast for the Illinois economy prepared by the consulting firm of DRI/McGraw-Hill sees Illinois employment growth being constrained by weaker export markets, a tight labor market, and a slowdown in the domestic economy over the next four years. Illinois employment is forecast to increase at a 0.5% annual rate between 2000 and 2003, down from a 1.2% average annual growth rate between 1998 and 2000. DRI notes that the strengths of the Illinois economy are its diversification and its role as the regional center for finance, trade and exports.

The longer-term forecast expects continued growth in the Illinois economy, particularly in the service and trade sectors. Between 1999 and 2016, Illinois is expected to add 466,000 jobs, a 7.8% increase. Service employment is forecast to increase by 479,000 jobs or 26.2%, a greater increase than the growth in total Illinois employment. In contrast, continued automation of production processes is expected to cause manufacturing employment to decline by 122,000 jobs or 12.8% over the next seventeen years.

The long term forecast is vulnerable to unexpected economic fluctuations. Traditionally, the Illinois economy, with its emphasis on durable manufacturing, has been extremely sensitive to the business cycle. However, the increased emphasis on services and finance in the Illinois economy and better control over inventories by manufacturers are likely to reduce the impact of economic downturns on Illinois.

## Long-Term Demographic Trends

The steady increase in the Illinois population is expected to continue into the twenty-first century. The most recent Illinois Bureau of the Budget estimate (1997) predicts that the Illinois population will increase from 11.4 million in 1990 to 13.3 million in 2020.

As the baby boom generation ages, a shift in the age distribution of the Illinois population is expected that will have an impact on the types of services

demanding from state government. In 1990, 39.8% of the Illinois population was in the 20-44 age group and 18.7% was in the 45-64 age group. In 2020, the portion in the 20-44 bracket is expected to decline to 37.1% with the 45-64 share increasing to 22.0%. As the baby boom reaches age 65 after 2015, the population will age fairly quickly and a significant increase in the proportion of elderly is expected.

## FISCAL OUTLOOK

Fiscal year 1999 marked the seventh straight improvement in the State's General Funds budgetary balance (measured on a cash basis) as the balance rose from a \$356 million *surplus* in fiscal year 1998 to a \$503 million *surplus* in 1999--the third positive budgetary balance in a row and the highest on record. However, after five consecutive years of improvement, the State's General Fund GAAP balance fell, from a \$213 million deficit in 1998 to a \$303 million deficit in 1999.

The cash-basis improvements were due in part to the continued strength of the economy, as Illinois' General Funds saw a record increase of \$1.690 billion or 8.5% in revenue for fiscal year 1999. However, some of the growth was due to one-time enhancements such as the annualization of last year's restructuring of riverboat taxes and insurance taxes, as well as annualization of cigarette and public utility tax increases.

Two major factors in the deterioration of the General Funds GAAP balance were an increase in Section 25 liabilities payable from future year's appropriations and a \$285 million end-of-year transfer from the General Revenue Fund (GRF) to the Fund for Illinois' Future (FIF). After falling dramatically from 1995 through 1997, Section 25 deferred liabilities grew in each of the last two years. This year's growth included a \$126 million *increase* under the State's Medicaid program and a \$16 million *increase* under the group health insurance program for employees, retirees, and their dependents administered by the Department of Central Management Services.



The \$285 million transfer from GRF to FIF was made pursuant to law and was intended to jump-start the Illinois FIRST program (see Major Initiatives section). Absent these factors, the General Funds GAAP balance would have improved considerably.

Those involved in evaluating the fiscal health of governments generally believe that the ability to maintain working balances in the range of 4%-5% of annual budgetary expenditures indicates a strong fiscal position. As evident in the chart below, the State's General Funds end-of-month balance in June (\$1.351 billion) was over the 4% threshold for the third year in a row.

While there have been improvements across a broad spectrum over the last several years, the fact that the GAAP deficit worsened in fiscal year 1999 demonstrates there is room for improvement. But in order to improve its fiscal health, the State faces several challenges. To keep balances at acceptable levels and payment cycles under control, resources must continue to be directed to these purposes. The ability to allocate resources will be constrained on the one hand by revenue growth and on the other hand by competing budgetary needs.

Some current economic forecasts are predicting a slowing in economic growth over the next few years and since revenue growth generally mirrors the strength of the economy, the record revenue growth of the past few years may not be repeated. In fact, fiscal year 2000 revenues are currently expected to grow \$936 million (compared to \$1.690 billion growth for 1999), including higher receipts from a liquor tax increase and higher transfers in due to dockside gambling for the riverboat gaming industry.

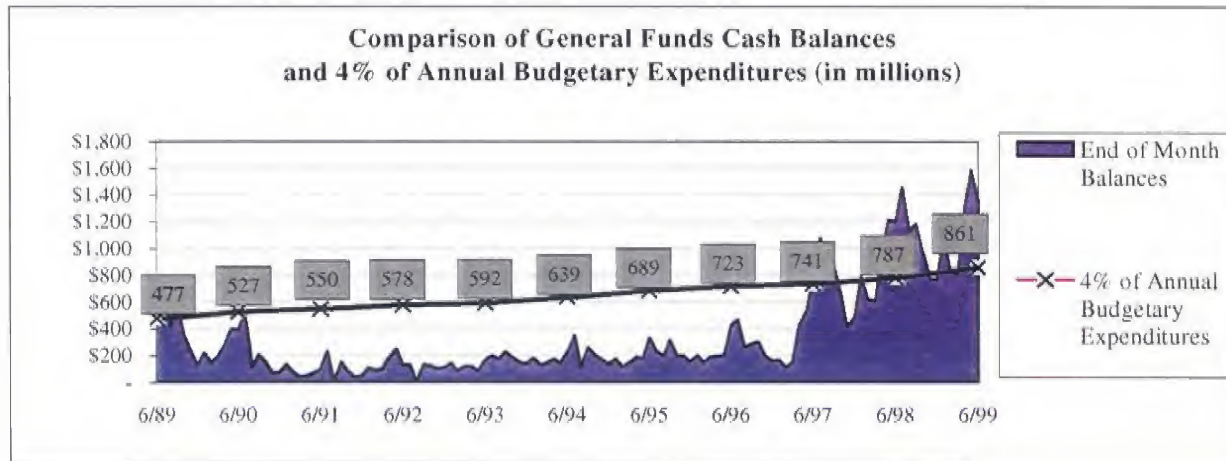
On the spending side of the budget, fiscal improvements will be competing with the needs of programs such as education and those administered by the Departments of Human Services, Corrections, Children and Family Services, and Public Aid. One area that bears close scrutiny is the growth of medical costs and the deferral of those costs to future years.

While it appears that Section 25 deferred liabilities are still largely under control, the fact that there have been two consecutive increases suggests that continued efforts will be required to keep deferrals from again becoming a budgetary burden. This is especially applicable to the Medicaid program.

The size, scope and demographics of Medicaid are not static but are driven by several dynamic factors. New and beneficial advancements in medicine are often extremely costly. The aging of the population in general, and in Illinois in particular, means that one of the fastest growing and most expensive to treat segments of the population will exert an even stronger influence on the demand for health care. In addition, some experts are forecasting an increase in the cost of medical care over the next few years.

Future budgets will also have to address other long-term issues, particularly legislated increases in funding for pensions and education. In the past, fiscal problems occurred when revenue growth slowed and spending pressures remained. Attention must continue to focus on lessons learned and on maintaining budget discipline.

The drop in the GAAP balance in spite of sizeable cash-based improvements in 1999 serves as a reminder that past financial performance is no guarantee of future results, and high end-of-year cash balances and even record budgetary balances do not in themselves indicate surpluses.



## MAJOR INITIATIVES

**For the Year.** Major initiatives for the year generally reflect the priorities set in the budgetary process. The Illinois Economic Development for a Growing Economy (EDGE) Tax Credit, Income Tax Changes and School Tax Credit were some of the major "initiatives" enacted by the General Assembly for fiscal year 1999. The following discussion outlines those and other major initiatives for fiscal year 1999:

### Illinois Economic Development for a Growing Economy (EDGE) Tax Credit Act

With the passage of Public Act 91-0476, the General Assembly approved a new income tax credit linked to income generated in Illinois as the result of new jobs. EDGE will grant corporate income tax credits to applicants creating new jobs in Illinois if the applicant's project meets certain specified criteria, including the creation of 100 new full-time jobs. EDGE was enacted in response to similar programs adopted in Indiana, Missouri, Kentucky, Michigan, and Ohio. This credit is effective for tax years 1999 and beyond and will impact State revenue in fiscal year 2000 and thereafter.

### Income Tax Changes

State law raised the standard income tax

exemption and changed the formula for computing tax liability for multi-state businesses operating in Illinois. After a three year phase-in period, these tax changes are expected to reduce State revenue by about \$390 million annually.

The standard exemption for individual taxpayers and their dependents increased for the first time since the State income tax was imposed in 1969. Under the legislation, the standard exemption increased to \$1,300 for income earned during 1998, \$1,650 for 1999 income and \$2,000 for 2000 income.

Prior to this change in State law, the Illinois taxable income for multi-state businesses was determined using a three factor formula. After a three-year transition period, multi-state businesses will determine their allocation of income using one factor, the share of corporate sales in Illinois. As proposed, this formula change would reduce the tax liability for companies with a large share of their assets and payroll in Illinois, but increase the tax liability for companies with large sales but few assets or employees in Illinois.

### School Tuition Tax Credit

The School Tuition Tax Credit grants a tax credit equal to 25% of the amount paid for school tuition, books and lab fees for K-12 students in Illinois. In order to claim the tax credit, taxpayers must spend at least \$250 on tuition, books and fees. This credit begins with tax returns filed for



calendar year 2000 and is limited to a maximum credit of \$500 per family.

### **The Public Accountability Report of Service Efforts and Accomplishments (SEA)**

One of the priorities of this administration is to improve the accountability of state governmental agencies to the public they serve by reporting on the efficiency, effectiveness, and outcomes of government programs. To this end the Comptroller has launched the Public Accountability Project, which, in cooperation with the Governor's Office of Strategic Planning, has instituted a process by which state agencies annually report on their performance in carrying out their statutory missions. The instrument for this process is Service Efforts and Accomplishments (SEA) Reporting as outlined by the Governmental Accounting Standards Board (GASB). The Office of the Comptroller is working with the GASB to determine and set standards for this type of financial reporting. Illinois has been designated by the GASB as an official "experimentation site" for SEA reporting. The final section of this transmittal letter provides a description of the Public Accountability Project, and the Illinois Public Accountability (SEA) Report is contained in the final section of this CAFR.

### **Receivables Reporting**

The State reported gross receivables of \$8.2 billion at June 30, 1999, for *statutory compliance reporting purposes*. Of that amount, nearly \$3.2 billion (39%) was estimated as uncollectible. Of the net receivable (\$5.0 billion), \$3.25 billion is over 180 days past due. Net receivables for the total reporting entity for *GAAP reporting* totaled \$9.5 billion. The difference between compliance reporting and GAAP reporting is due to the difference in the measurement focus and basis of accounting.

The Office of the Comptroller continues to establish and enforce measures to help reduce the financing of "deadbeats" indebted to the State. Effective January 1, 1998, all debts that exceed

\$1,000 and are more than 90 days past due are required to be reported in the Comptroller's Offset System. Prior to this date, only debts in excess of \$1,000 and more than 1 year past due were required to be reported. The new legislation enables the Comptroller's Office to intercept tax refunds and other payments that may otherwise be paid to the State's debtors.

***For the Future.*** The fiscal year 2000 budget, the State's largest infrastructure program, electronic commerce, gaming reform and a Rainy Day Fund Proposal are some of the future initiatives that are anticipated for the State. These future initiatives are discussed below:

### **Fiscal Year 2000 Budget**

For fiscal year 2000, the General Assembly approved a \$45.7 billion budget, which the Governor approved. This budget contains the State's largest infrastructure program in history (See Illinois FIRST below), provides an increase in educational funding and a change to State gaming laws.

### **Illinois FIRST**

In the spring of 1999, the Governor proposed a \$12.2 billion infrastructure improvement program, the largest in the history of the State. Titled Illinois FIRST (Fund for Infrastructure, Roads, Schools and Transit), the plan is designed to meet the State's critical infrastructure needs. Financing for the original plan included: \$4.5 billion in State bonds, \$2.0 billion in pay-as-you-go funding, \$1.6 billion in Regional Transportation Authority (RTA) bonds, \$1.1 billion in local school matching funds and \$3.0 billion in leveraged federal funds. The final negotiated package included an additional \$399 million in bond authorizations. These additions bring the program total to approximately \$12.6 billion.

Funding for the State's portion of the plan includes: numerous tax and fee increases estimated to raise \$572 million annually, the transfer of \$285 million from the General



Revenue Fund in June 1999, the transfer of another \$260 million from the General Revenue Fund in fiscal year 2001 and monthly transfers of \$5.0 million from General Revenue Fund to the School Infrastructure Fund to pay for bonded indebtedness.

### **Electronic Commerce**

Electronic Commerce is fast becoming the way to conduct business transactions in the private sector as well as the public sector. Electronic Data Interchange (EDI), an agreement between business partners, is the vehicle that is needed to conduct electronic business transactions. In the State of Illinois, the business partners are the state agencies and their vendors who provide goods and services. Generally, the Comptroller's Office receives the payment requests and funds from the agencies and provides payment and remittance information to the vendors. The Comptroller's Office is committed to working in partnership with state agencies to facilitate establishing agreements between the individual agencies and their vendors in order to ensure successful implementation of an electronic commerce solution.

Illinois is served by a large number of vendors with varying remittance needs. Most vendors today receive payments in the form of warrants that are mailed along with a paper remittance advice. Some of these vendors, who wish to expedite their payments, but do not require remittance information to post payments to their accounts receivable, are currently served adequately by direct deposit of their payments through Electronic Funds Transfer. A growing number of vendors wish to expedite their payments and posting of their accounts receivables by taking advantage of electronic technologies. This growing number of vendors desire true Electronic Commerce: paperless transactions between business partners through Electronic Data Interchange (EDI). In recognition of the many and varied state vendors, the Comptroller's Office is committed to maintaining and expanding current EFT payment processes and promoting participation in the direct deposit

program while implementing system changes that will provide the technological capability to accommodate EDI.

### **Gaming Reform**

The State made major statutory changes to the gaming laws in the last General Assembly session. These changes included provisions to allow dockside gambling, the relocation of a riverboat licensee and the dedication of 15% of the adjusted gross receipts from the relocated riverboat to the horse racing industry. These changes are expected to have a positive effect on State revenues in the future.

### **"Rainy Day" Fund Proposal**

The Office of the Comptroller continues to propose legislation to create a "Rainy Day" Fund. This fund would be used to help the State meet its obligations whenever occasional deficits or failures in revenue occur. This fund will not increase State spending, but is specifically intended to reduce the need for future tax increases, diminish the need for short-term borrowing and maintain or strengthen the State's bond rating. The creation of this fund would simply follow the common sense practice of putting money aside when revenue growth is healthy to help tide the State over during periods of poor revenue growth.

## **Service Efforts and Accomplishments (SEA) Background**

### **The Public Accountability Project**

Traditional governmental financial reporting and budgeting are designed to report to the public on how financial resources are acquired and used by governments and to ensure that resources made available to state agencies are used in accordance with the laws and policies enacted by the General Assembly and the Governor. How many people did we employ, and how much equipment did we



purchase? How many more will we use this year than we did last year? Did expenditures fall within the amounts appropriated? These are the types of questions answered by these traditional financial practices.

Missing from the traditional financial practices, however, is a review of how well our state agencies use their resources to accomplish the assignments given them in the laws and policies set by elected officials. What, in the broad sense, did taxpayers get for the money they spent? Were resources used effectively? Are our children well schooled? Are our highways safe and efficient? Do we do a good job of keeping our air and water clean?

One of the priorities of my administration is to improve the accountability of state governmental agencies to the public they serve. That is, to make sure that state resources are spent for the proper purposes, but also to report on the efficiency, effectiveness, and outcomes of government programs. To this end, the Comptroller has launched the Public Accountability Project, which, in cooperation with the Governor's Office of Strategic Planning, has instituted a process by which state agencies annually report on their performance in carrying out their statutory missions. The effect of this type of performance reporting is two-fold. First, state agencies become more customer-oriented and therefore more effective. Second, the public will become more aware of the missions and accomplishments of state agencies.

The instrument for this process is Service Efforts and Accomplishments (SEA) Reporting as ordained by the Governmental Accounting Standards Board (GASB), the agency designated to set standards for financial reporting by state and local governments. Recognizing the incompleteness of traditional financial reporting, the GASB has begun an initiative to stimulate SEA reporting by state and local governments. The goal of SEA reporting is to improve financial reports by linking information on the performance of government programs with the usual financial data. SEA reporting examines not only the

financial resources allocated to programs, but their missions and goals – plus quantifiable measurements of how they have met those missions and goals. The GASB is promoting experimentation by governments under their purview before issuing standards on SEA reporting. Illinois has been designated by the GASB as an official “experimentation site” for SEA reporting.

### **Expanded SEA Reporting for Fiscal Year 1999**

This year's SEA report is the third issued by the Illinois Office of the Comptroller, but it is the first done under a formalized reporting process initialized with the top state agencies in Illinois government. That, along with an effort to expand the range of information, makes for a larger, expanded report.

*Formal reporting process.* With the cooperation of the Governor's Office of Strategic Planning, the Comptroller initiated a process to incorporate nineteen of the largest departments and agencies in state government into the SEA reporting system. Together the budgets of these nineteen agencies represent over 85% of the state budget for fiscal year 1999.

The first SEA Reporting Conference in Illinois State government, conducted with the assistance of the Department of Accountancy at the University of Illinois at Springfield, began a process of preparing these selected agencies to compile their performance reports. With input and direction from the Office of the Comptroller and the Governor's Office of Strategic Planning, the agencies chose key programs on which to report and identified the mission statements, goals, and key indicators that reflect their performance. These nineteen reports are the first compiled by the agencies themselves.

*Survey of public opinion on state government services.* One of the goals of SEA reporting (and performance reporting generally) is to make agencies more aware of their customers. Customer satisfaction, as gauged in customer satisfaction surveys, is recognized in SEA



reporting as a key indicator of performance. For state government, the customer is the public.

A few state agencies do survey their direct consumers on a limited basis, and the results of those surveys are reflected in their individual SEA reports. This year's Public Accountability Report, however, contains the results of a statewide survey of public opinion on our state's performance in key programmatic areas. Carried out by the Center for Governmental Studies at Northern Illinois University, the survey gauges the general public's attitudes about the importance of certain programmatic areas as well as their opinion on how well we as a state address those areas.

*Mission statements, goals, and external benchmarks.* Integrated into the SEA reporting format this year are mission statements, goals, and external benchmarks. This information supplies an overall context for the reported programs. Mission statements and goals set expectations about the outcomes programs strive to reach. External benchmarking (an aspect of reporting that will require development) looks at the performance of comparable programs in other states (or national norms) to determine where our programs rank.

*Summaries of program areas.* Like the Illinois State Budget, the Public Accountability Report is broken down into six program areas: Education, Human Services, Public Safety, Environment and Business Regulation, Economic Development and Infrastructure, and Government Services. All state agencies are assigned to one of these program areas. For the first time, the Public Accountability Report presents summary data on these program areas that convey basic inputs (expenditures) and key outcomes for these areas as a whole. This type of overall reporting links agencies within the same program area to common outcomes that, individually, they may only indirectly affect.

### **The Goals of Public Accountability**

The Public Accountability Report for fiscal year 1999 realizes the goals set out in last year's CAFR. It expands the coverage of the report to nineteen of the largest agencies in state government. And the SEA reports submitted by these agencies are the product of a newly instituted reporting process. The report offers information beyond the typical financial data on the programs administered by these agencies and presents the opportunity to ask questions about what State government is and is not accomplishing.

In broader terms, the Public Accountability Project seeks to:

**Make State government more result-oriented.** State agencies should be judged on what they are accomplishing, rather than merely the volume of their activities. SEA reporting enables agencies to measure the effectiveness of the services they provide to taxpayers and to gauge how their outcomes and efficiency stack up against other entities offering the same services.

**Increase public awareness of the efficacy of State government programs.** Budget and financial information is generally available. Information about the success or failure of certain services or programs is made public from time to time on a piecemeal basis. The Public Accountability Report aims to make readily available, to the public and decision makers, comprehensive information - in a simple, understandable format - on the results state government attains through the programs it offers to the public.

**Facilitate informed decision-making on the allocation of State resources.**

A comprehensive review of the results attained by state government programs can bring about an approach to budgeting that allows programs to be judged by the results they produce. SEA reporting reveals whether a program is performing up to expectations as laid out in its mission and goals. Also, by comparing its resources and results to similar programs in other states or a national average (external benchmarking), SEA reporting can provide guidance as to whether our programs are performing up to standard and whether additional resources are warranted or necessary.

**Increase public accessibility to information on state government programs.**

Accountability is impossible unless the public receives lucid information on the activities of government and then can avail themselves of opportunities to have input into decision-making. This report and survey attempt to meet this need. Other avenues for both disseminating information and collecting input need to be explored. The Illinois Office of the Comptroller encourages all citizens to make suggestions for improving the report. The Public Accountability Report is available at the Comptroller's web site: <http://www.ioc.state.il.us>.

**Explanatory Notes**

*Validity and reliability of SEA information.* Except for specific instances that may have required clarification, no attempt has been made to verify or reconcile reported expenditures or performance data. None of the reported performance data has been audited, nor does it fall within the scope of the audit opinion. The information provided has been reported or submitted by each agency unless explicitly noted otherwise. The verifiability and reliability of reported performance data remain a long-term challenge for SEA reporting.

**Reporting standards.** SEA reporting is in its experimental stages. (Illinois has been redesignated as an "experimental site" by GASB.) Therefore, at present, no generally accepted standards have been set for this type of reporting. The evolutionary process of instituting performance reporting in Illinois is also the process for setting standards.



## FINANCIAL INFORMATION

The following balance sheet and operating statements have been condensed from the statements included in the State of Illinois

*Comprehensive Annual Financial Report* utilizing the "memorandum only" column of the primary government.

State of Illinois Balance Sheet - Primary Government			State of Illinois Operating Statement - Primary Government		
Amounts (in millions)			Amounts (in millions)		
	FY1999	FY1998		FY1999	FY1998
<b>Assets (and other debits)</b>			<b>Revenues</b>		
Cash	\$ 9,292	\$ 8,225	Taxes -		
Investments	50,904	46,052	Income	\$ 9,250	\$ 8,811
Receivables, net	7,369	6,563	Sales	7,689	7,168
Fixed assets	5,416	5,126	Other taxes	5,866	5,270
Other assets	1,576	1,375	Federal government	9,356	8,950
Other debits	21,626	20,608	Charges for sales and services	2,849	2,767
Total assets and other debits	\$ 96,183	\$ 87,949	Interest income	5,032	6,332
			Contributions	2,949	2,349
<b>Liabilities</b>			Licenses and fees	1,157	1,093
Payables	\$ 7,971	\$ 7,063	Other	1,492	1,583
Pension liability	12,116	11,305		45,640	44,323
Bonds outstanding	9,277	8,875			
Depository and other	4,270	5,679	<b>Expenditures/Expenses</b>		
Other	2,462	2,210	Health and social services	10,891	9,963
Total liabilities	36,096	35,132	Education	7,540	6,786
			General government/administrative	6,189	5,768
<b>Equity and Other Credits</b>			Social assistance	3,233	3,540
Investment in fixed assets	5,348	5,061	Transportation	2,567	2,649
General	(303)	(213)	Public protection and justice	1,899	1,678
Special revenue	3,571	2,943	Debt service	964	966
Debt service	828	745	Benefit payments and refunds	3,125	2,907
Capital projects	480	357	Prizes and claims	813	842
Proprietary	323	288	Other	1,579	1,426
Trust	49,840	43,636		38,800	36,525
Total fund equity	60,087	52,817	Net other sources (uses) and		
Total liabilities and fund balances/ retained earnings	\$ 96,183	\$ 87,949	nonoperating revenues (expenses)	(1,093)	(1,073)
			Excess of revenues over expendi- tures/expenses and net other uses	\$ 5,747	\$ 6,725
* As restated					

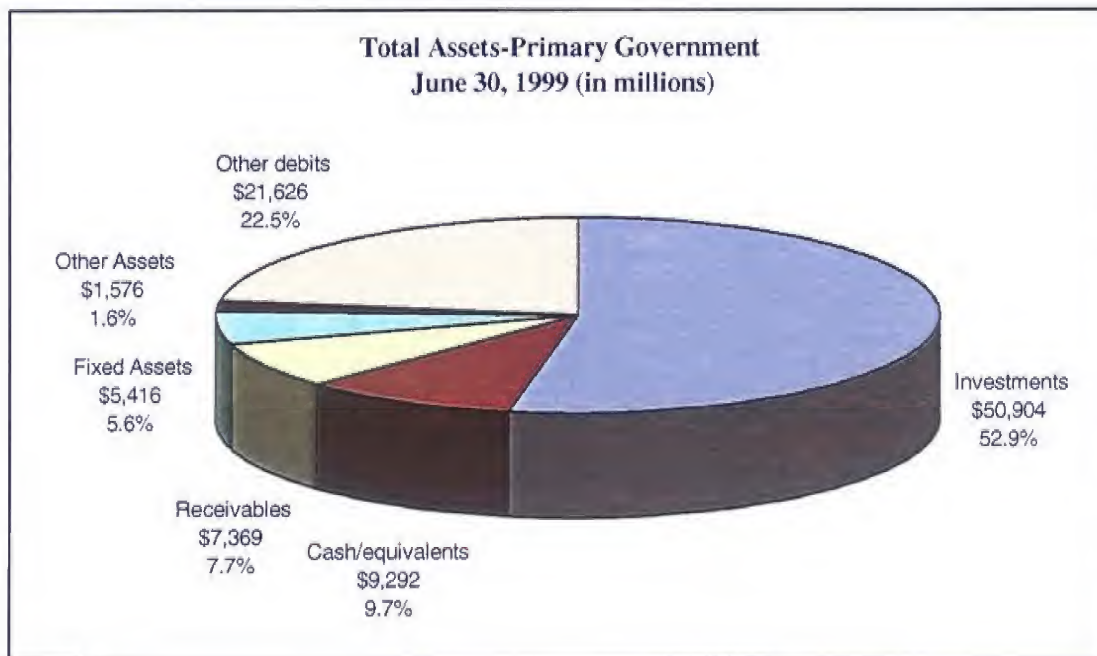
## Assets (and “other debits”)

Total assets (and other debits) of the State of Illinois at June 30, 1999 were approximately \$96 billion. This was an increase of \$8.2 billion (9%) over fiscal year 1998. The largest increase

was in the State’s investments (\$4.9 billion). The Pension Funds accounted for \$4 billion of the investment increase.

<b>Comparison of Total Assets (in millions) *</b>				
Account	FY1999	FY99 %	% change From 1998	FY1998
Investments	\$ 50,904	52.9%	10.5%	\$ 46,052
Cash & cash equivalents	9,292	9.7%	13.0%	8,225
Receivables	7,369	7.7%	12.3%	6,563
Fixed assets	5,416	5.6%	5.7%	5,126
Other assets	1,576	1.6%	14.6%	1,375
Other debits	21,626	22.5%	4.9%	20,608
<b>Total Assets</b>	<b>\$ 96,183</b>	<b>100.0%</b>	<b>9.4%</b>	<b>\$ 87,949</b>

\*The above numbers include primary government funds only.



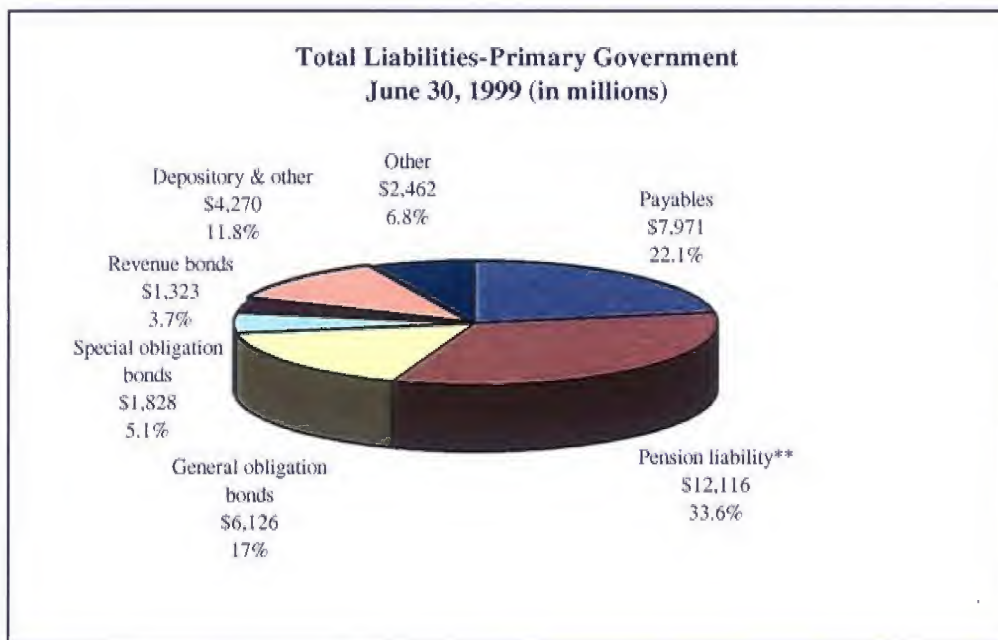
## Liabilities

Total liabilities increased to \$36.1 billion at June 30, 1999, \$964 million (2.7%) more than fiscal year 1998. The largest increases were the State's payables (\$909 million). There was also an increase (\$810 million) in the pension

liability due, in large part, to an increase in the pension obligation of \$561 million in the Teachers Retirement System and \$190 million in the State Universities Retirement System.

<b>Comparison of Total Liabilities (in millions) *</b>				
<b>Account</b>	<b>FY1999</b>	<b>FY99 %</b>	<b>% change From 1998</b>	<b>FY1998</b>
Payables	\$ 7,971	22.1%	12.9%	\$ 7,063
Pension liability**	12,116	33.6%	7.2%	11,305
General obligation bonds	6,126	17.0%	4.1%	5,886
Special obligation bonds	1,828	5.1%	( .2%)	1,832
Revenue bonds	1,323	3.7%	14.3%	1,157
Depository & other	4,270	11.8%	( 24.8%)	5,679
Other	2,462	6.8%	11.4%	2,210
<b>Total Liabilities</b>	<b>\$ 36,096</b>	<b>100.0%</b>	<b>2.7%</b>	<b>\$ 35,132</b>

\*The above numbers include primary government funds only.



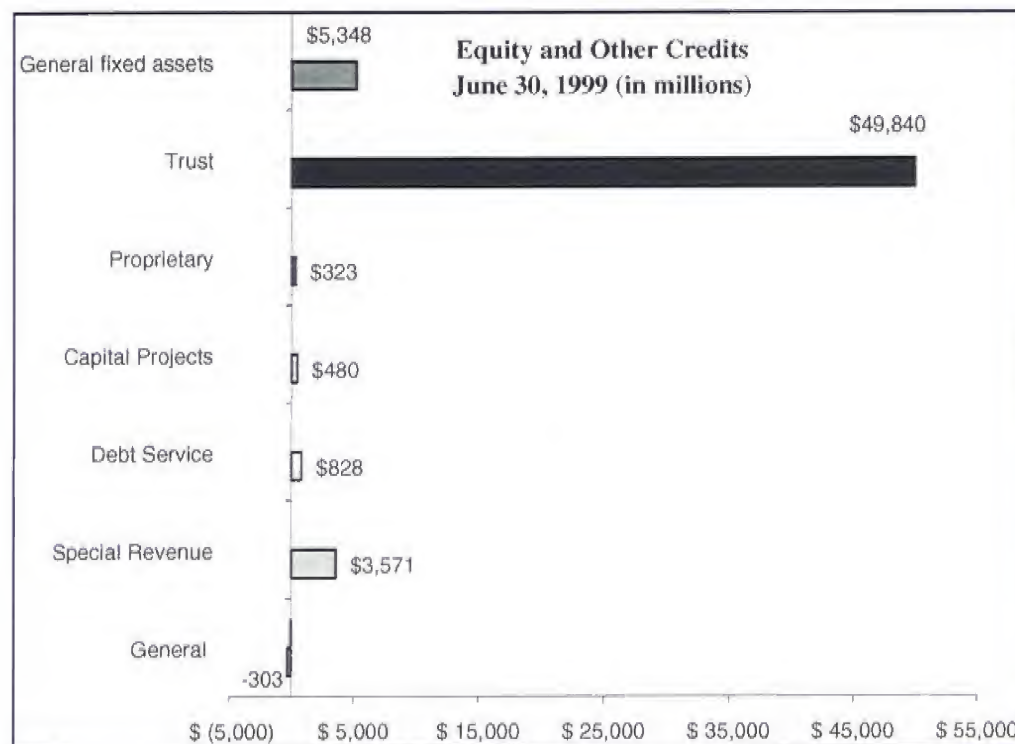


## Equity and Other Credits

The fund balances for all primary government funds combined was \$60 billion at June 30, 1999 representing a 13.8% increase from fiscal year 1998. By far, the majority of the increases

were in the trust funds (\$6.2 billion). Within those funds, the Pension Funds and Investment Trust Funds balances increased \$4.6 billion.

<b>Comparison of Total Fund Balances (Deficits) and Retained Earnings (in millions) *</b>				
Fund Types/ Account Group	FY1999	FY99 %	% change From 1998	FY1998
General	\$ (303)	(0.5%)	42.3%	\$ (213)
Special Revenue	3,571	5.9%	21.3%	2,943
Debt Service	828	1.4%	11.1%	745
Capital Projects	480	0.8%	34.5%	357
Proprietary	323	0.5%	12.2%	288
Trust	49,840	82.9%	14.2%	43,636
General fixed asset	5,348	8.9%	5.7%	5,061
<b>Total Fund Balance</b>	<b>\$ 60,087</b>	<b>100.0%</b>	<b>13.8%</b>	<b>\$ 52,817</b>
*The above numbers include primary government funds only.				



## General Governmental

programs and activities. These reports are available on request.

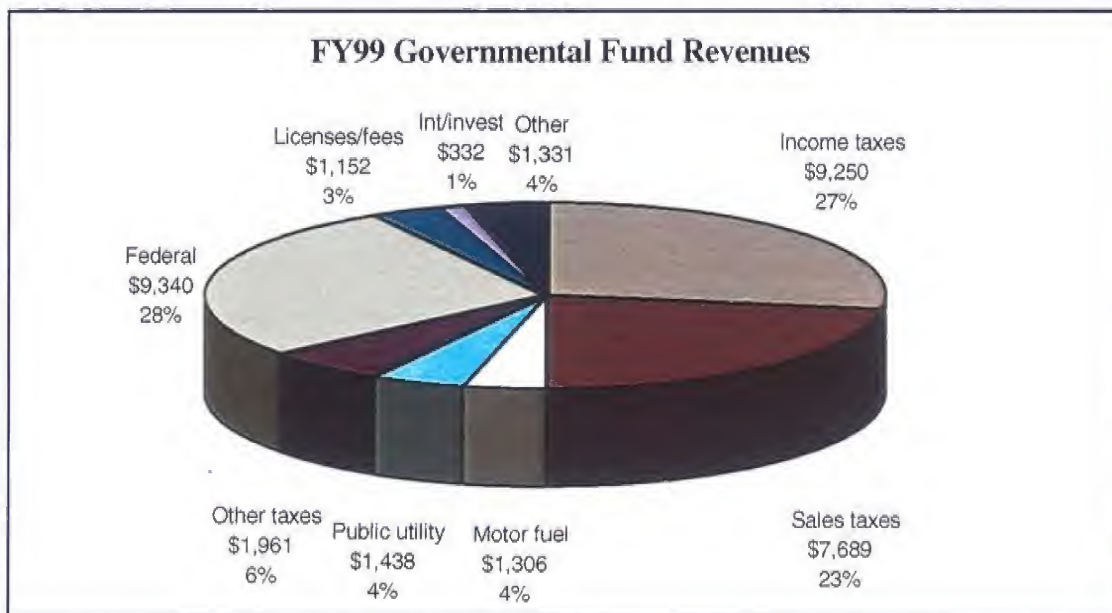
## Functions

The governmental fund types are those through which most State functions are financed. These fund types (the general, special revenue, capital projects, and debt service funds) are presented on the modified accrual basis of accounting. Throughout the year, the Comptroller's Office publishes a monthly *Fiscal Focus* which summarizes the status of governmental fund revenues and expenditures and analyzes various

## Revenues

Revenues on the modified accrual basis are recognized when they are both measurable and available to finance current operations. Revenues (amounts expressed in millions) from various sources for fiscal years 1999 and 1998 are as follows:

Revenue Source	Amount		Percentage of Total		Increase (Decrease) from 1998	Percentage Incr (Decr) from 1998
	1999	1998	1999	1998		
Taxes:						
Income	\$ 9,250	\$ 8,811	27%	28%	\$ 439	5%
Sales	7,689	7,168	23%	22%	521	7%
Motor fuel	1,306	1,287	4%	4%	19	1%
Public utility	1,438	1,208	4%	4%	230	19%
Other	1,961	1,604	6%	5%	357	22%
Federal government	9,340	8,929	28%	28%	411	5%
Licenses & fees	1,152	1,093	3%	3%	59	5%
Interest/investment	332	302	1%	1%	30	10%
Other	1,331	1,549	4%	5%	(218)	(14%)
Total	\$ 33,799	\$ 31,951	100%	100%	\$ 1,848	6%





Fiscal year 1999 governmental funds revenues increased by \$1,848 million (6%) over 1998 revenues. State-imposed taxes including income, sales, motor fuel, public utility, and miscellaneous other taxes remained the largest overall revenue source for fiscal year 1999 and comprised nearly 63% of total State revenues.

### ***Income Tax***

Income tax revenues, the State's largest tax revenue source, increased \$439 million (5%) from fiscal year 1998. The increase is generally the result of a robust economy and resulting growth in personal and corporate income taxes.

### ***Sales Taxes***

Sales taxes remained the second largest tax revenue source for fiscal year 1999, increasing \$521 million (7%) from fiscal year 1998. The increase is due to general growth in retail sales in an improved economy.

### ***Public Utility Taxes***

Public utility taxes showed an increase of \$230 million (19%) mainly because of a 2% rate increase in the telecommunications tax deposited into the Common School Fund and the School Infrastructure Fund. Also, effective with fiscal year 1998, the Department of Revenue began collecting a new Energy Assistance Charge for deposit into the Supplemental Low Income Energy Assistance Fund.

## **Expenditures**

Expenditures for governmental fund types are presented on the modified accrual basis of accounting and are generally recognized when the fund liability is incurred regardless of when payment is made. Governmental funds expenditures of \$32,683 million in fiscal year 1999 increased \$1,922 million (6%) over 1998

### ***Federal Government Revenues***

Federal government revenues for fiscal year 1999 increased \$411 million from fiscal year 1998, and continue as the second largest revenue source on a GAAP basis for 1999 (second only to the State-imposed taxes discussed above). Of this increase, federal government revenues at the Department of Public Aid increased \$106 million reflecting an increase in the federal government reimbursement revenues of the medicaid assessment program.

A significant increase occurred in the Road Fund (\$316 million) administered by the Department of Transportation (IDOT). The increase occurred because funding from the federal highway bill was delayed in the previous fiscal year.

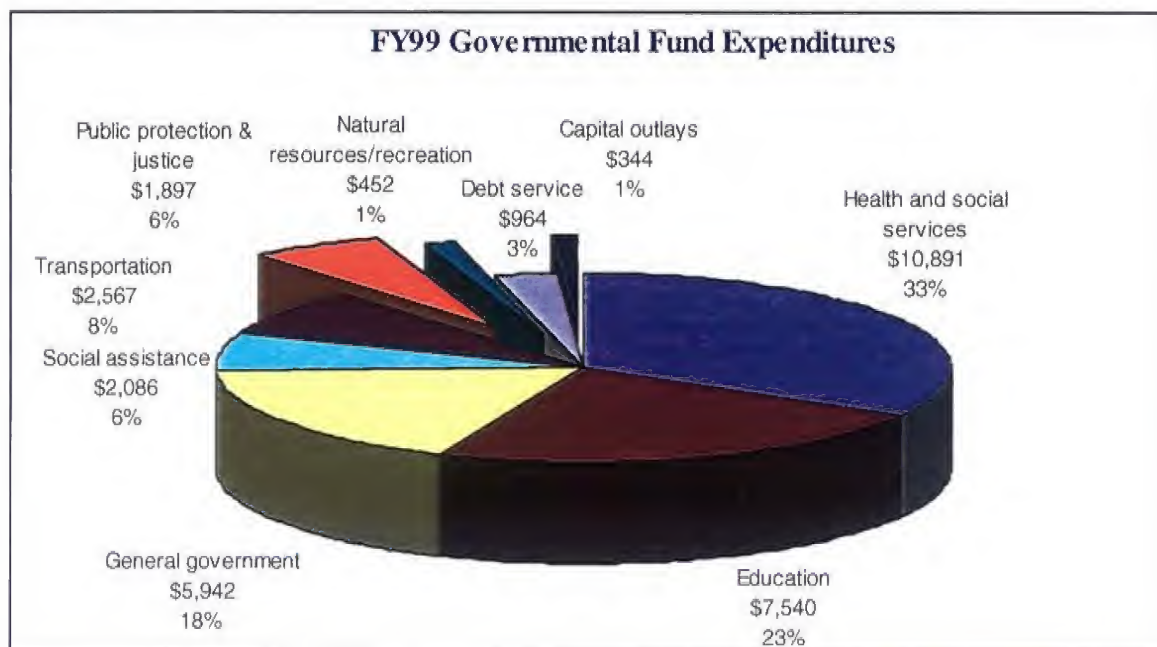
### ***Other Revenues***

Other revenues decreased \$218 million (14%) from fiscal year 1998. One major component of the decrease was in the County Hospital Services Fund where the other revenues were \$54 million less in Fiscal year 1998 than the previous year because there were fewer Medicaid eligible patients. Another component was a decrease of \$84 million in the Department of Public Aid's Child Support Enforcement Trust Fund where record collections were recorded in the previous fiscal year.

and were \$1.1 billion less than revenues on a GAAP basis.

Expenditures (amounts expressed in millions) for major governmental fund functions in fiscal year 1999 and 1998 were as follows:

Expenditure Function	Amount		Percentage of Total		Increase (Decrease) from 1998	Percentage Incr (Decr) from 1998
	1999	1998	1999	1998		
Health and social services	\$ 10,891	\$ 9,963	33%	32%	\$ 928	9%
Education	7,540	6,786	23%	22%	754	11%
General government	5,942	5,561	18%	18%	381	7%
Social assistance	2,086	2,401	6%	8%	(315)	(13%)
Transportation	2,567	2,649	8%	9%	(82)	(3%)
Public protection & justice	1,897	1,678	6%	5%	219	13%
Natural resources/recreation	452	414	1%	1%	38	9%
Debt service	964	967	3%	3%	(3)	(0%)
Capital outlays	344	342	1%	1%	2	1%
Total	\$ 32,683	\$ 30,761	100%	100%	\$ 1,922	6%





### ***Health and Social Services Expenditures***

Health and social services expenditures of \$10.9 billion were the largest expenditure function for fiscal year 1999, *increasing* by \$928 million (9%) over fiscal year 1998. This expenditure function is 34% of total spending on a GAAP basis, increasing slightly from 32% in fiscal year 1998. Significant fluctuations occurred at several agencies. A \$436 million increase in General Fund expenditures at the Department of Human Services (DHS) represents an increase in Health and Social Services programs and a decrease in social assistance programs. The Department of Public Aid showed a \$720 million increase in General Fund spending. The increase is attributable to a change in the Medicaid accrual allocation for fiscal year 1999. The Medicaid assessment funds' expenditures decreased by \$264 million.

### ***Education Expenditures***

Education expenditures were once again the second largest expenditure function in the governmental funds for fiscal year 1999. Education expenditures increased \$754 million (11%) from fiscal year 1998 on a GAAP basis.

Significant education expenditure increases that reflect the continuing budgetary emphasis on education in fiscal year 1998 were at the State Board of Education where General Fund expenditures increased \$253 million in the General Revenue Account and \$368 million in the Common School Account.

### ***Social Assistance Expenditures***

Social assistance expenditures decreased \$315 million (13%) from the last fiscal year. The largest decrease occurred at the Department of Human Services in the General Fund (\$273 million) because of the change from the Aid To Families With Dependent Children (AFDC) Program to the Temporary Assistance For Needy Families (TANF) Program. The TANF Program imposes a time limit on assistance that

has reduced expenditures.

### ***General Government***

General government expenditures increased \$381 million (7%) from fiscal year 1998 to 1999. Expenditure increases occurred at the Department of Commerce and Community Affairs (\$52 million) in conjunction with the first full year of the Low Income Energy Assistance Program. In addition, the Department of Revenue's expenditures increased \$68 million in the Local Government Tax Fund and \$54 million in the Local Government Distributive Fund. This growth was mainly attributable to larger payments to units of local government because of income tax growth.

### ***Internal Control***

Each State agency's management is responsible for establishing and maintaining internal control designed to ensure that the assets of the State are protected from loss, theft or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The State's internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

On October 31, 1989 the Fiscal Controls and Internal Auditing Act ("FCIAA") became law, requiring all State agency chief executive officers to annually certify the adequacy of internal controls in place within their agencies. The first annual certifications by State agency CEOs were due November 15, 1990.



Subsequent certifications are due May 1<sup>st</sup> each year. The FCIAA also requires that certain agencies have a chief internal auditor with a specified minimum level of professional competency.

## Budgetary Controls

The Comptroller's Statewide Accounting Management System ("SAMS") provides the basis for receipt, expenditure and encumbrance reporting of all State treasury held funds with specific budgetary controls maintained on line-item expenditures for all appropriated funds. Appropriations (budget) and actual expenditure analysis for significant individual funds is provided in the Budgetary Schedules section of this report. A reconciliation between the GAAP and budgetary basis of accounting is presented in Note 2 of the financial statements. The budgetary system (i.e., SAMS) classifies funds into traditional groupings which do not conform with the fund type classifications set forth by the GASB; therefore, a reclassification of budget categories to GAAP financial statement fund types also is presented in Note 2.

The State of Illinois has a two-month "lapse period." During this time, July 1 to August 31, State agencies can expend funds appropriated in the prior fiscal year if encumbered by June 30. For all fund types, goods or services received prior to June 30 are recorded as liabilities and expenditures or expenses, whichever is appropriate. For governmental fund types, lapse period expenditures for goods or services encumbered as of June 30 and received prior to August 31 are reported with other encumbrances as reservations of June 30 fund balances and not as liabilities or expenditures.

## Investment Management

The Illinois State Treasurer is responsible for investing all cash resources of the State, with the exception of those held by the retirement systems and certain debt service, enterprise, agency, universities' and colleges' endowments and other locally-held funds. Of the five retirement systems, three pool their resources for investment and two invest their resources under investment master trustee arrangements with individual investment managers. The universities and colleges are granted independent powers to invest their funds which are held outside the State Treasury. Interest income earned on the cash resources received and invested by the State Treasurer is allocated to the various funds (where specified by law) based on the average daily cash balances invested. A comparison with prior years of the State's investments (including component units) at June 30 is presented on page I-29.

State agencies had \$4.9 billion more invested at June 30, 1999 than at June 30, 1998. The pension funds accounted for \$4 billion of the investment increase.

Agreements signed between the State of Illinois and the Financial Management Service of the U. S. Treasury ("FMS") since July 1993, set out procedures for drawing federal funds and methods for computing interest liabilities for programs subject to the federal Cash Management Improvement Act ("CMIA"). Illinois submitted the fiscal year 1998 *CMIA Annual Report* in December 1998, and after review by FMS paid the federal government \$2.8 million in State interest liabilities by the March 1999, due date.

Comparison of Investment Portfolios at June 30, (In millions)								
Investment Type	1999		1998		1997		1996	
	Amount	%	Amount	%	Amount	%	Amount	%
Corporate Equity Securities	\$ 16,794	30%	\$ 13,550	24%	\$ 13,513	29%	\$ 8,747	24%
Mutual Funds	14,270	26%	15,962	29%	11,963	25%	8,458	23%
U.S. Treasury & Agency Obligations	8,563	15%	10,164	18%	8,151	17%	6,849	18%
Corporate Debt Securities	8,465	15%	5,981	11%	4,538	10%	4,741	13%
Tangible Property	2,502	4%	2,687	5%	2,631	6%	2,767	7%
Repurchase Agreements	4,259	8%	4,025	7%	3,197	7%	3,164	9%
Commercial Paper	3,147	6%	2,252	4%	1,833	4%	1,291	3%
Investment Contracts	2,912	5%	982	2%	844	2%	956	3%
Totals	<u>\$ 60,912</u>	<u>100%</u>	<u>\$ 55,603</u>	<u>100%</u>	<u>\$ 46,670</u>	<u>100%</u>	<u>\$ 36,973</u>	<u>100%</u>

## Cash Management

The State of Illinois' daily activities are operated on a "cash basis," where bills are paid with the available balances of cash on hand. As chief fiscal officer of the State of Illinois, the Comptroller maintains the State's central fiscal accounts and is responsible for ordering all payments into and out of the funds held by the State Treasurer. The State's cash flow situation improved again during fiscal year 1999. The General Fund's available balance at June 30, 1999 was \$1.351 billion, \$149 million greater than the balance at June 30, 1998. The cash balance generally is affected by the same events previously discussed in the *General Governmental Functions* Section.

The General Funds include the three school and General Revenue Fund accounts which administer about 40% of the State's annual expenditures. The General Revenue Account is also the State's basic operating fund, funding at least a portion of the operating budget of every major agency. Because of the sheer size of the General Revenue Fund, annual changes in the General Fund end-of-year available cash balance are usually governed by changes in the General Revenue Fund. For fiscal year 1999, however, nearly all of the \$149 million improvement occurred in the school funds.

## General Fund

Many State programs are accounted for in the General Fund. As demonstrated by the tables on page I-30 (in millions), the State's GAAP basis financial position at June 30, 1999 worsened from fiscal year 1998. The *fund* deficit in the State's General Fund increased by \$90 million on a GAAP basis (from a deficit \$213 million to a deficit \$303 million). On the *budgetary basis*, there was a \$503 million fund balance at June 30, 1999 compared to a \$356 million balance at June 30, 1998, a \$147 million improvement.

The *undesignated* fund deficit on a GAAP basis worsened by \$408 million from a deficit of \$367 million to a deficit of \$775 million. Expenditures and transfers-out exceeded revenues and transfers-in to the General Fund by \$90 million in fiscal year 1999.

The General Fund's deterioration is reflected in the comparison of the growth of assets and liabilities as assets increased 4.3% while payables and other liabilities jumped 6.0%. In addition, General Fund expenditures increased \$1.5 billion (8.1%) while revenues only grew \$1.2 billion (5.6%).



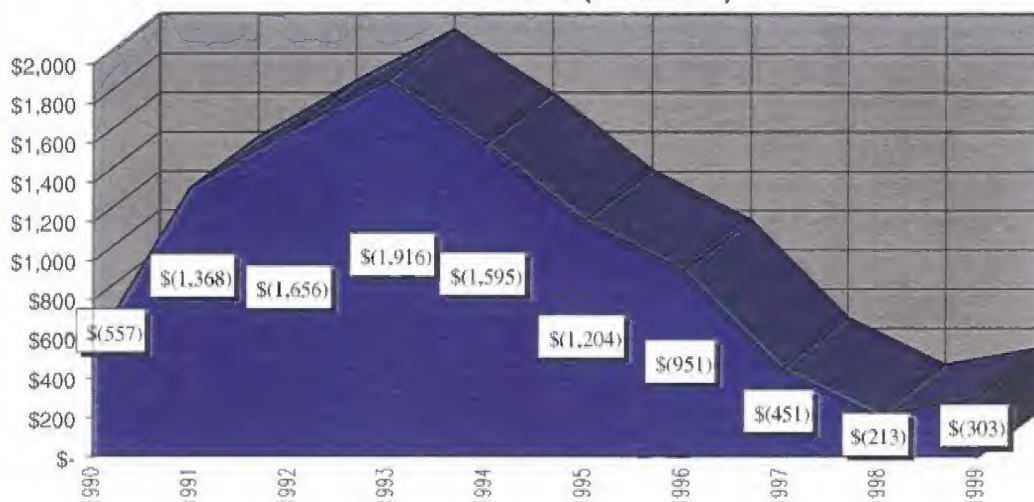
**General Fund Balance (Deficit)  
Fiscal Years 1990 - 1999  
(in millions)**

	Fund Balance (deficit) at June 30	** Undesignated Fund (deficit) at June 30	Excess (deficiency) of revenues over (under) expenditures and net other financing sources (uses) for the year ended June 30
1990 *	(557)	(745)	(482)
1991	(1,368)	(1,537)	(806)
1992	(1,656)	(1,825)	(306)
1993	(1,916)	(2,060)	(260)
1994	(1,595)	(1,731)	321
1995	(1,204)	(1,404)	388
1996	(951)	(1,130)	252
1997	(443)	(596)	508
1998	(213)	(367)	230
1999	(303)	(775)	(90)

\* As restated

\*\* The amount in the fund balance available (unavailable) for appropriation.

**General Fund Deficits  
FY 1990-99 (in millions)**



## Expendable Trust Funds

Total revenues for the State's expendable trust funds increased \$248 million (19%) from \$1.315 billion in fiscal year 1998 to \$1.563 billion in fiscal year 1999. Total expenditures increased \$52.8 million (4.6%) from \$1.144 billion in 1998 to \$1.197 billion in 1999.

By far the largest expendable trust fund is the State Unemployment Compensation Trust Fund ("Trust Fund"). The unemployment insurance ("UI") system is a joint state-federal program designed to provide cash assistance to involuntarily unemployed workers regardless of need. During fiscal year 1999, the UI system provided 5.1 million weeks of benefits to laid off workers at an average weekly stipend for recipients of regular benefits of \$222. The State is responsible for determining benefit levels and eligibility criteria, and for setting State UI tax levels sufficient to pay the benefits. The federal government provides all administrative funding and mandates minimal coverage requirements. A separate federal unemployment tax is assessed by the federal government to finance these administrative costs, provide a source of funds for states to borrow against during periods of high unemployment, and to pay the federal share of extended and emergency unemployment benefits.

Because of the solvency problems experienced with the Trust Fund in the late 1970's and early 1980's, the members of the General Assembly have worked closely with leaders of Illinois' labor and business communities to ensure the solvency of the fund for its workers while guarding against rapid growth of taxes on the employer community. In 1987 and again in 1992, business, government, and labor set out to revisit the issues surrounding the administration of the UI system. In 1992, most of the language from the landmark 1987 legislation was carried forward. Illinois employers will have realized tax savings of nearly \$343 million over the life of the new

agreement, while benefits to unemployed workers will steadily increase.

Current year revenues exceeded expenditures by \$155 million and the fund continues to be in a fiscally sound position, as demonstrated by its \$2.3 billion fund balance at June 30, 1999. The fiscal health of the fund has been so good that legislation was signed into law in February 1996 that reduced the minimum tax rate to .5% from .6% and the maximum rate to 6.8% from 8.2%.

## Investment Trust Funds

The State has two Investment Trust Funds: the Illinois Public Treasurers' Investment Pool and the Deferred Lottery Prize Winners Trust Fund. The State's investment trust funds account for transactions, assets, liabilities and fund balances reserved for pool participants for depositors that are not part of the State's financial reporting entity. During fiscal year 1999, the Illinois Public Treasurers' Investment Pool recorded \$472 million of participants' deposits, \$136.1 million of net investment income and distributions to pool investors of \$136.1 million. The Deferred Lottery Prize Winners Trust Fund recorded investment income of \$58.5 million and participants' withdrawals of \$166.1 million.

## Proprietary Funds

Proprietary funds are the State's "business-type" activities and include enterprise and internal service funds. Combined operating revenues for the State's enterprise funds were \$1.883 billion in fiscal year 1999 remaining unchanged from fiscal year 1998. Combined operating expenses were \$1.350 billion, down \$15 million (1%) from fiscal year 1998. The decrease in total enterprise fund expenses was the result of a decrease in prizes and claims (State Lottery) of \$30 million combined with an increase in Local Government Health Insurance Reserve Fund and Teachers Health Insurance Security Fund benefit payments (Department of Central Man-



agement Services) of \$15 million.

The State's internal service funds, which provide data processing, motor pool vehicles, telephone communications, printing services, self insurance and other services to State agencies, operated on a profitable basis for fiscal year 1999. Combined internal service funds revenues and expenses for fiscal year 1999 were \$1.095 million and \$866 million, respectively. This represents an increase of \$90 million (9%) in revenues and an increase of \$53 million (6%) in expenses from fiscal year 1998 to 1999. The increases in both revenues and expenditures are attributable to increased revenues and claims in the following funds: the Statistical Services Revolving Fund (charges for sales and services increased \$37 million and cost of sales and services increased \$20 million); the Health Insurance Reserve Fund (charges for sales and services increased \$37 million and benefit payment increased \$20 million); and the Communications Revolving Fund (charges for sales and services increased \$10 million and total operating expenses increased \$12 million).

## Component Units

**Universities.** Illinois operates a comprehensive program of higher education, including nine State universities and support for a statewide network of 49 community colleges, 103 private, not-for-profit institutions, 20 proprietary institutions, and a student financial assistance program. During fiscal year 1999, university expenditures increased \$219 million (5%) over 1998. General Fund financial support to the State's universities increased by 5.7%, to \$1.303 billion, from fiscal year 1998 to fiscal year 1999.

**Proprietary.** Certain business-type activities that are not a part of the primary government are included as component units. The largest proprietary component units in terms of assets are the Illinois Toll Highway Authority and the Illinois Housing Development Authority. Combined proprietary fund component unit operating revenues and expenses for the current fiscal year were \$482

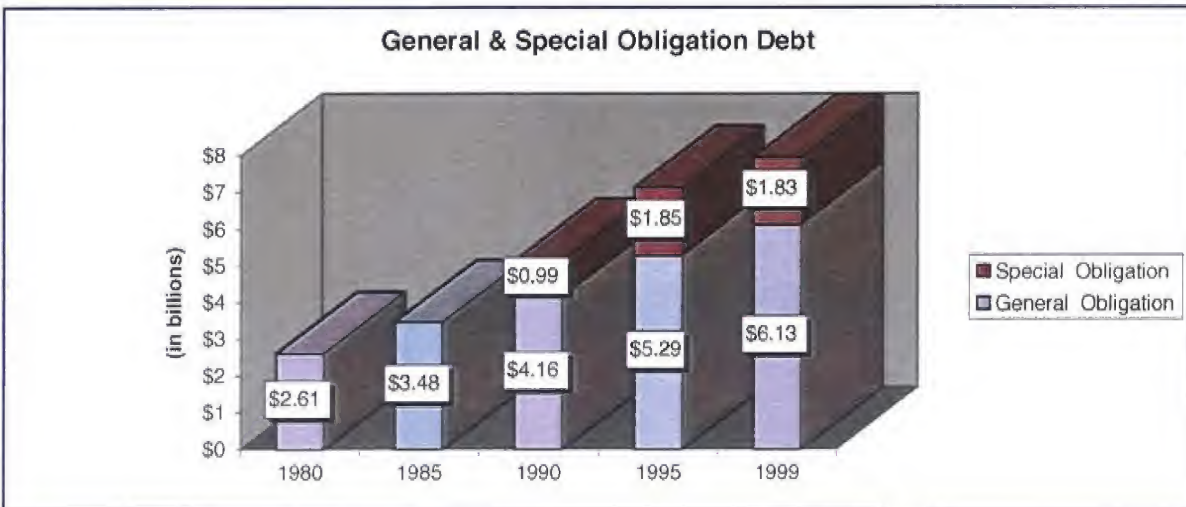
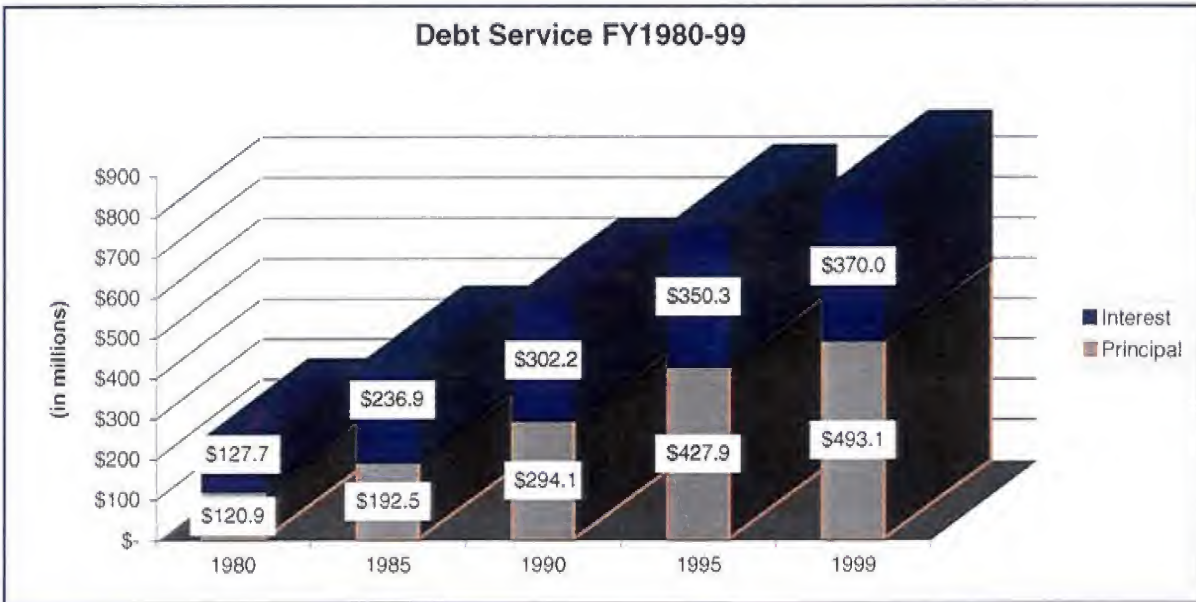
million and \$352 million, respectively. This compares to revenues of \$657 million and expenses of \$538 million for fiscal year 1998. The decreases in revenue and expenditures occurred because the operating activity for the Toll Highway Authority is presented for a six-month period for fiscal year 1999.

## Debt Administration

During June 1998, the Illinois general obligation bond rating was increased from "Aa3" to "Aa2" by Moody's Investors Service. Also, during June 1998, Standard & Poor's Corporation ("S & P") rating was increased to "AA" from "AA-". The higher bond ratings can be attributed to the State's improved financial condition. Special obligation bond ratings remained the same, ranging from "AAA" by S & P for Build Illinois bonds to "A1" by Moody's for Civic Center bonds. Among the states, Illinois is a moderate debt state with outstanding general and special obligation bonds at June 30, 1999 totaling \$7.954 billion. Bonds have been issued primarily to provide funds for acquisition and construction of capital facilities for higher education, public and mental health, correction and conservation purposes, and for maintenance and construction of highway and waterway facilities. Bonds also have been issued to provide assistance to municipalities for construction of sewage treatment facilities, port districts, aquarium facilities, local schools, mass transportation and aviation purposes, and to fund research and development of coal and alternative energy sources.

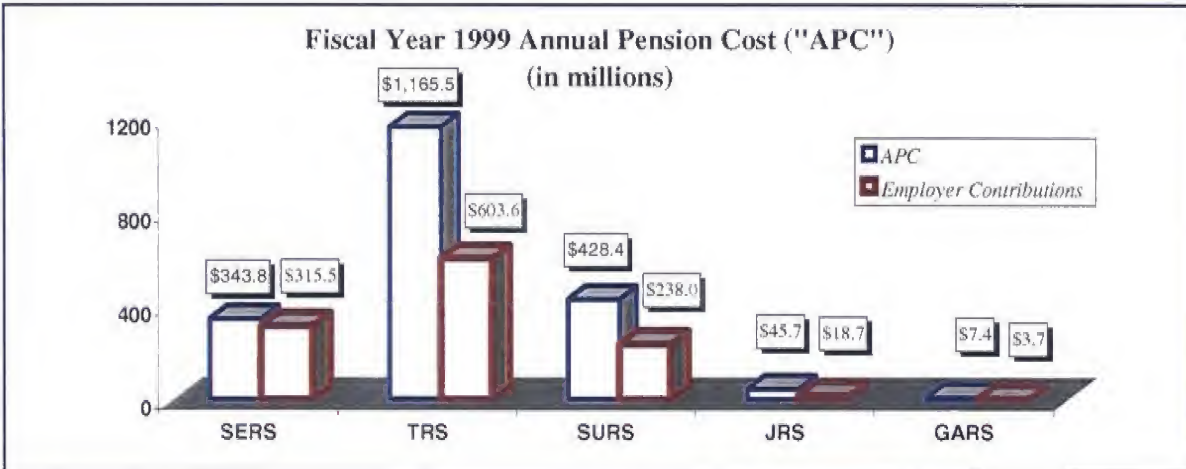
General and special obligation bonds aggregating \$772.3 million and \$60 million, respectively, were issued during fiscal year 1999 at average interest rates ranging from 4.8% to 5.1%. During fiscal year 1998, general and special obligation bonds totaling \$718.3 million and \$183.1 million, respectively, were issued at average rates ranging from 4.8 % to 5.1%. Debt service principal and interest costs of \$493.1 million and \$370.0 million, respectively were paid in fiscal year 1999. The dramatic increase since fiscal year 1980 is displayed in the following chart:





In addition to general and special obligation bonds, Illinois has \$5.109 billion of revenue bonds, \$110.6 million of notes payable and

\$1.896 billion of other long-term obligations outstanding as of June 30, 1999.



## Retirement Systems

Total net assets of the State's five pension trust funds, on a "fair value" basis, aggregated \$41.5 billion at June 30, 1999, an increase of \$4.2 billion (11%) from the previous year. During fiscal year 1997, the State adopted GASB Statement 27, *Accounting for Pensions by State and Local Governmental Employers*. The statement requires, among other things, that assets be valued at *fair market value*.

The \$4.2 billion increase in net assets can be explained by three accounts. Investments (at fair value) grew by \$4 billion. \$2.3 billion of the growth represented net appreciation in fair value and \$1 billion represented new purchases of investments. The large investment increase was offset by \$215 million more accounts payable with most of the growth at Teachers' Retirement System (TRS). In addition, other liabilities increased by \$382 million, which was attributable to an increase in other liabilities at TRS and Universities Retirement System. Other liabilities generally relate to securities lending transactions.

Statement 27 focuses the reader of the State's CAFR on annual pension cost ("APC") in accordance with certain accounting parameters as compared to the amount contributed. The

State retirement systems were underfunded by \$811.3 million during fiscal year 1999 and this amount has been added to the Net Pension Obligation (NPO) in the General Long-Term Obligations Account Group (See chart above). Of the \$811.3 million, \$561.9 million occurred at TRS where the APC was calculated to be \$1.2 billion and employer contributions were \$603.6 million.

During fiscal year 1999, all of the State systems were funded in accordance with the *statutory funding* requirement. The new law enacted in fiscal year 1996 provides for a 50-year funding plan with a 15 year phase-in and a "continuing appropriation." The continuing appropriation provides the Comptroller's Office with the authority to automatically provide funding to the pension systems based on actuarial cost requirements and amortization of the unfunded liability without being subject to the General Assembly's appropriation process. However, the State's 50-year funding plan does *not* meet the more stringent 40-year minimum amortization "parameters" required to be reported in the State's financial statements in accordance with GASB Statement 27.



## **Risk Management**

The State's risk management program encompasses a wide range of State government activities. Generally, the State has elected to retain most exposures to risk, with only limited purchase of commercial insurance. Among the exceptions are coverage for real property at the James R. Thompson Center in Chicago, the State Retirement Systems building, and the Regional State Office complex in Collinsville. Limited commercial coverage for personal property includes a small portion of the State's fleet of motor vehicles, certain telecommunications equipment, the fixed and rotary wing aircraft fleet, some State watercraft, selected items of electronic data processing equipment, a portion of the State's collection of fine art, as well as a small number of other property and liability exposures.

The State retains workers' compensation and auto liability exposures, including claims management. Other major retained risks include employee fidelity and surety, as well as general liability. The State's risk management program also includes legal representation and indemnification of employees sued for violation of civil and constitutional rights and other tort liabilities while acting in an official capacity.

## **Independent Audit**

The Illinois Auditor General has elected to perform a "department by department" single audit in conformity with the provisions of the *Single Audit Act Amendments of 1996*. Separate departmental financial reports for those State agencies subject to the Single Audit Act Amendments include the schedule of expenditures of federal awards, findings and questioned costs, and the auditor's reports on internal control and compliance with applicable laws and regulations. The Illinois Auditor General has performed an audit of the accompanying general purpose financial statements in accordance with generally

accepted auditing standards, and his opinion is presented herein.

## **Certificate of Achievement**

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting ("Certificate") to the State of Illinois for its comprehensive annual financial report ("CAFR") for the fiscal year ended June 30, 1998. This is the fifteenth consecutive year that the State has received this prestigious award in governmental financial reporting. In order to be awarded a Certificate, the State of Illinois published an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate is valid for a period of one year only. I believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and I am submitting to the GFOA to determine its eligibility for another certificate.

## **Acknowledgments**

The preparation of the State's Comprehensive Annual Financial Report was made possible by the due diligence of my staff, the Auditor General's Office and all State agencies who submitted timely information during this year's GAAP financial statement process. Their hard work and dedication has resulted in an excellent financial report of which we can be proud. I express my gratitude to all of those involved for this tremendous cooperative effort.

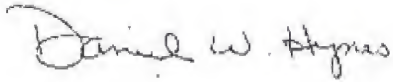
### *SEA Reporting*

The Illinois Office of the Comptroller also wishes to express thanks to all the personnel at



the reporting state agencies who, in good faith, engaged in a process to identify and report on the outcomes of their efforts in certain programs. The extent to which state government programs can affect certain, broader outcomes related to the quality of life of our citizens – such as the crime rate or income and poverty levels – varies from one program area to another. The review of their Service Effort and Accomplishments you see here is the product of their labor. I would also like to thank the University of Illinois at Springfield and their staff for their contributions.

Sincerely,

A handwritten signature in dark ink, reading "Daniel W. Hynes". The signature is written in a cursive style with a large, stylized "D" and "H".

Daniel W. Hynes  
Comptroller

# Certificate of Achievement for Excellence in Financial Reporting

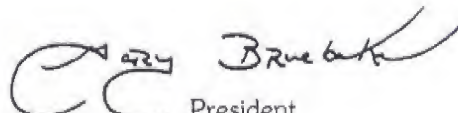
Presented to

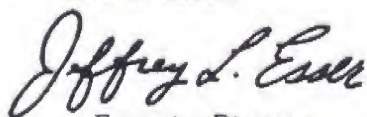
State of  
Illinois

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 1998

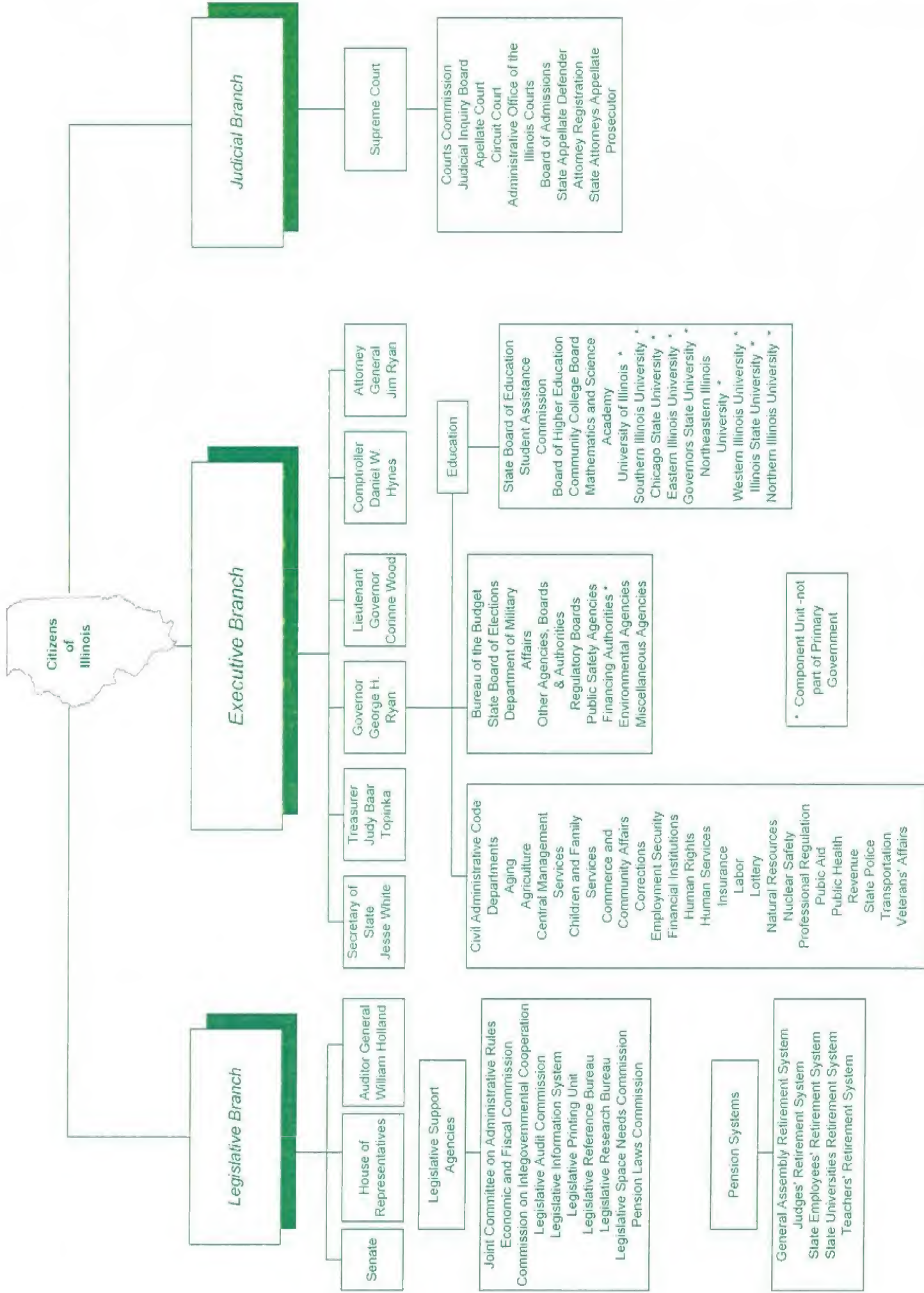
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



  
Cary Brueckner  
President

  
Jeffrey L. Esser  
Executive Director





## FINANCIAL SECTION

The Financial Section includes the Auditor General's report, the general purpose financial statements and the combining and individual fund and account group statements and schedules.







STATE OF ILLINOIS  
WILLIAM G. HOLLAND  
AUDITOR GENERAL

Honorable James "Pate" Philip, President of the Senate  
Honorable Michael J. Madigan, Speaker of the House  
Members of the General Assembly  
Honorable George Ryan, Governor  
Honorable Daniel Hynes, Comptroller

We have audited the accompanying general-purpose financial statements of the State of Illinois as of and for the year ended June 30, 1999 as listed in the foregoing Table of Contents for Section II. These general-purpose financial statements are the responsibility of the State's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements listed in the foregoing Table of Contents for Section II present fairly, in all material respects, the financial position of the State of Illinois as of June 30, 1999, and the results of its operations and cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended, in conformity with generally accepted accounting principles.

The required supplementary information as listed in the foregoing Table of Contents for Section II is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and do not express an opinion on it. In addition, we do not provide assurance that the State of Illinois is or will become year 2000 compliant, that the State of Illinois year 2000 remediation efforts will be successful in whole or in part, or that parties with which the State of Illinois does business are or will become year 2000 compliant.

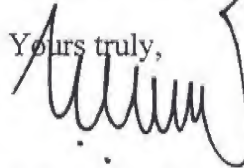
As discussed in Notes 3 and 21 to the financial statements, the State of Illinois adopted, in Fiscal Year 1999, Governmental Accounting Standards Board Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*.

As discussed in Note 3 to the financial statements, the State of Illinois changed its reporting period for the Toll Highway Authority.

Our audit was conducted for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The combining and individual fund and account group financial statements, and budgetary schedules, listed in the Table of Contents for Section II are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements of the State of Illinois. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general-purpose financial statements taken as a whole.

The statistical and economic data listed in the Table of Contents for Section III and service efforts and accomplishments data listed in the Table of Contents for Section IV were not audited by us, and accordingly, we do not express an opinion thereon.

Yours truly,



WILLIAM G. HOLLAND  
Auditor General  
State of Illinois

Springfield, Illinois  
December 30, 1999



# **GENERAL PURPOSE FINANCIAL STATEMENTS**

General Purpose Financial Statements provide a summary overview of the financial position of all funds and account groups and of the operating results by fund type. They also serve as an introduction of the more detailed statements and schedules that follow.

**This Page Intentionally Left Blank**



**State of Illinois**

**Combined Balance Sheet - All Fund Types, Account Groups  
and Discretely Presented Component Units**

June 30, 1999 (Expressed in Thousands)

	Governmental Fund Types				Proprietary Fund Types		Fiduciary Fund Type
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust and Agency
<b>ASSETS AND OTHER DEBITS</b>							
<b>Assets:</b>							
Cash and cash equivalents	\$ 1,153,800	\$ 3,274,167	\$ 740,435	\$ 550,637	\$ 224,827	\$ 107,961	\$ 3,240,595
Investments	656,069	447	62,617		172,707		50,012,376
Receivables, net:							
Taxes	781,590	398,167					326,611
Intergovernmental	749,429	895,594		1,411	9,215	728	13,086
Other	76,965	171,710	868		46,717	2,198	1,030,426
Due from other funds	291,183	362,518	23	200	73,111	156,913	44,568
Due from component units	21,217	2,489		6,728		3,277	6,438
Due from primary government							
Inventories	38,083	34,745			5,539	12,535	
Prepaid expenses					335	1,106	
Loans and notes receivable	20,027	764,309	25,500		1,083,826		
Restricted assets (\$121,753 cash equivalents)					217,297	108	
Property, plant and equipment, net					4,040	41,540	22,896
Other assets	13,314	15,971					1,238,256
<b>Other debits:</b>							
Amount available in debt service funds for:							
Retirement of general obligation bonds							
Retirement of special obligation bonds							
Retirement of other obligations							
Amount to be provided for:							
Retirement of general obligation bonds							
Retirement of special obligation bonds							
Retirement of other obligations							
Pension liabilities							
<b>Total assets and other debits</b>	<b>\$ 3,801,677</b>	<b>\$ 5,920,117</b>	<b>\$ 829,443</b>	<b>\$ 558,976</b>	<b>\$ 1,837,614</b>	<b>\$ 326,366</b>	<b>\$ 55,935,252</b>
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>							
<b>Liabilities:</b>							
Account payable and accrued liabilities	\$ 2,279,538	\$ 469,752	\$ 19	\$ 54,661	\$ 85,959	\$ 148,550	\$ 1,415,358
Intergovernmental payables	1,048,184	1,080,166		13,592	6	241	338,561
Due to other funds	509,626	320,430	23	1,920	7,272	3,109	86,136
Due to component units	93,246	13,422	884	596		2	39
Due to primary government							
Deferred revenues	173,685	465,567		6,145	11,166	15,398	3,100
Liabilities payable from restricted assets							
Depository and other liabilities		88	201	298	25,473	11,046	4,233,282
Notes payable					100,794		
Net pension obligation							
General obligation bonds payable							
Special obligation bonds payable							
Revenue bonds payable					1,304,360		18,654
Other obligations					124,889	2,923	
<b>Total liabilities</b>	<b>4,104,279</b>	<b>2,349,425</b>	<b>1,127</b>	<b>79,212</b>	<b>1,659,919</b>	<b>181,269</b>	<b>6,095,130</b>
<b>Equity and other credits:</b>							
Contributed capital						19,247	
Investment in fixed assets							
Retained earnings:							
Reserved					133,067		
Unreserved					44,628	125,850	
<b>Fund balances (deficits):</b>							
Reserved for:							
Employees' pension benefits							41,473,766
External investment pool participants							4,564,415
Other	472,098	2,781,720	25,500	626,363			2,326,619
Unreserved:							
Designated			802,816				1,442,026
Undesignated (deficits)	(774,700)	788,972		(146,599)			33,296
<b>Total equity (deficit) and other credits</b>	<b>(302,602)</b>	<b>3,570,892</b>	<b>828,316</b>	<b>479,764</b>	<b>177,695</b>	<b>145,097</b>	<b>49,840,122</b>
<b>Total liabilities, equity and other credits</b>	<b>\$ 3,801,677</b>	<b>\$ 5,920,117</b>	<b>\$ 829,443</b>	<b>\$ 558,976</b>	<b>\$ 1,837,614</b>	<b>\$ 326,366</b>	<b>\$ 55,935,252</b>

The accompanying notes to the financial statements are an integral part of this statement.

Account Groups		Total (Memorandum Only)	Component Units	Total (Memorandum Only)
General Fixed Assets	General Long-Term Obligations	Primary Government		Reporting Entity
		\$ 9,292,422	\$ 702,652	\$ 9,995,074
		50,904,216	2,525,216	53,429,432
		1,506,368		1,506,368
		1,669,463	15,598	1,685,061
		1,328,884	208,056	1,536,940
		928,516	28,794	957,310
		40,149		40,149
			108,003	108,003
		90,902	44,100	135,002
		1,441	38,316	39,757
		1,893,662	1,810,294	3,703,956
		217,405	361,530	578,935
\$ 5,347,976		\$ 4,116,452	7,626,284	13,042,736
		1,267,541	109,087	1,376,628
	\$ 445,624	445,624		445,624
	346,498	346,498		346,498
	10,694	10,694	2,989	13,683
	5,680,820	5,680,820		5,680,820
	1,481,166	1,481,166		1,481,166
	1,545,232	1,545,232		1,545,232
	12,115,695	12,115,695		12,115,695
\$ 5,347,976	\$ 21,625,729	\$ 98,183,150	\$ 13,580,899	\$ 109,764,049
		\$ 4,453,837	\$ 819,578	\$ 5,273,415
		2,480,750	7,754	2,488,504
		928,516	28,794	957,310
		108,189		108,189
			40,149	40,149
		677,061	77,028	754,089
			3,524	3,524
		4,270,388	230,215	4,500,603
		100,794	9,798	110,592
\$ 12,115,695		12,115,695		12,115,695
	6,126,444	6,126,444		6,126,444
	1,827,664	1,827,664		1,827,664
		1,323,014	3,786,130	5,109,144
		1,555,926	1,683,738	1,896,050
		21,625,729	36,096,090	5,215,262
				41,311,372
		19,247	33,524	52,771
\$ 5,347,976		5,347,976	5,006,985	10,354,961
		133,067	352,863	485,930
		170,476	1,296,120	1,466,608
		41,473,766		41,473,766
		4,564,415		4,564,415
		5,232,300	1,645,074	7,877,374
		2,244,842	26,889	2,271,722
		(99,031)	4,171	(94,860)
5,347,976	-- --	60,087,060	8,365,617	68,452,677
\$ 5,347,976	\$ 21,625,729	\$ 98,183,150	\$ 13,580,899	\$ 109,764,049



**State of Illinois**

**Combined Statement of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Fund Balances - All Governmental Fund Types, Expendable Trust Funds and Discretely Presented Component Units**

For the Year Ended June 30, 1999 (Expressed in Thousands)

	Governmental Fund Types				Fiduciary Fund Type	Total (Memorandum Only) Primary Government
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
<b>REVENUES</b>						
Income taxes	\$ 8,486,413	\$ 784,079				\$ 9,250,492
Sales taxes	5,633,346	2,055,650				7,688,996
Motor fuel taxes		1,306,238				1,306,238
Public utility taxes	1,041,691	395,913				1,437,604
Other taxes	1,410,143	551,060			\$ 1,160,494	3,121,697
Federal government	4,618,485	4,718,513	\$ 127	\$ 2,887	15,932	9,355,944
Licenses and fees	72,569	1,079,038	201		5,077	1,156,885
Interest and other investment income	220,936	73,096	37,484	377	254,377	586,270
Other	603,593	718,511	852	8,130	127,286	1,458,372
<b>Total revenues</b>	<b>22,067,176</b>	<b>11,682,098</b>	<b>38,664</b>	<b>11,394</b>	<b>1,563,166</b>	<b>35,362,498</b>
<b>EXPENDITURES</b>						
Current:						
Health and social services	9,585,006	1,305,486	597		306	10,891,395
Education	5,993,682	1,350,831		195,556		7,540,069
General government	1,290,017	4,588,701	6,371	56,762	47,100	5,988,951
Social assistance	878,667	1,207,189			1,147,235	3,233,091
Transportation	47,666	2,484,632		34,552		2,566,850
Public protection and justice	1,536,489	380,553			2,015	1,899,057
Natural resources and recreation	173,612	262,909	1,413	14,301	55	452,290
Debt service:						
Principal	28,127	5,329	497,915	2		531,373
Interest	40,605	14,070	377,438	15		432,128
Capital outlays	86,230	88,175		169,886	225	344,516
<b>Total expenditures</b>	<b>19,660,101</b>	<b>11,667,875</b>	<b>883,734</b>	<b>471,074</b>	<b>1,196,936</b>	<b>33,879,720</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>2,407,075</b>	<b>14,223</b>	<b>(845,070)</b>	<b>(459,680)</b>	<b>366,230</b>	<b>1,482,778</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>						
Proceeds from general/special obligation bond issues				661,539		661,539
Proceeds from general/special obligation bond refunding issues			173,179			173,179
Operating transfers-in	2,613,259	2,737,852	930,528	88,258	12,676	6,382,572
Operating transfers from component units				4		4
Operating transfers from primary government						
Operating transfers-out	(3,641,020)	(2,097,697)	(1,828)	(114,203)	(11,392)	(5,866,140)
Operating transfers to component units	(1,486,923)	(31,949)		(53,317)		(1,572,189)
Capital lease financing	18,156	5,511				23,667
Payment to refunded bond escrow agent			(173,179)			(173,179)
<b>Net other sources (uses) of financial resources</b>	<b>(2,496,528)</b>	<b>613,717</b>	<b>928,700</b>	<b>562,281</b>	<b>1,283</b>	<b>(370,547)</b>
<b>Excess (deficiency) of revenues over (under) expenditures and net other sources (uses) of financial resources</b>	<b>(89,453)</b>	<b>627,940</b>	<b>83,630</b>	<b>122,601</b>	<b>367,513</b>	<b>1,112,231</b>
Fund balances (deficit), July 1, 1998, as previously reported	(213,149)	2,942,752	744,686	357,163	2,184,012	6,015,464
Restatement/reclassification of fund balances					1,239,294	1,239,294
Fund balances (deficit), July 1, 1998, as restated	(213,149)	2,942,752	744,686	357,163	3,423,306	7,254,758
<b>FUND BALANCES (DEFICIT), JUNE 30, 1999</b>	<b>\$ (302,602)</b>	<b>\$ 3,570,692</b>	<b>\$ 828,316</b>	<b>\$ 479,764</b>	<b>\$ 3,790,819</b>	<b>\$ 8,366,989</b>

The accompanying notes to the financial statements are an integral part of this statement.

Component Units	Total (Memorandum Only) Reporting Entity
	\$ 9,250,492
	7,688,996
	1,306,238
	1,437,604
\$ 26,838	3,148,535
18,730	9,374,674
147	1,157,032
2,350	588,620
12,100	1,470,472
60,165	35,422,663

1,085	10,892,480
4	7,540,073
14,883	6,003,834
	3,233,091
	2,566,850
	1,899,057
1,772	454,062
75	531,448
181	432,309
3,111	347,627
21,111	33,900,831
39,054	1,521,832

	661,539
	173,179
163	6,382,735
	4
3	3
(8,167)	(5,874,307)
	(1,572,189)
57	23,724
	(173,179)
(7,944)	(378,491)

31,110	1,143,341
173,937	6,189,401
	1,239,294
173,937	7,428,695
\$ 205,047	\$ 8,572,036



# State of Illinois

## Combined Statement of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) All Budgeted Fund Groups (See Note 2)

For the Year Ended June 30, 1999 (Expressed in Thousands)

	General Funds			Highway Funds		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES</b>						
Income taxes	\$ 8,090,000	\$ 8,347,679	\$ 257,679			
Sales taxes	5,480,000	5,608,645	128,645			
Motor fuel taxes				\$ 1,214,900	\$ 1,264,877	\$ 49,977
Public utility taxes	990,000	991,150	1,150			
Federal government	3,543,000	3,600,272	57,272	611,600	644,601	33,001
Other	1,576,000	1,817,472	241,472	813,454	856,693	43,239
Less:						
Refunds	34,741	29,737	(5,004)	15,544	13,869	(1,675)
<b>Total revenues</b>	<b>19,644,259</b>	<b>20,335,481</b>	<b>691,222</b>	<b>2,624,410</b>	<b>2,752,302</b>	<b>127,892</b>
<b>EXPENDITURES</b>						
Current:						
Health and social services	8,224,240	8,119,346	(104,894)			
Education	7,353,069	7,323,954	(29,115)			
General government	1,294,586	1,259,182	(35,404)	289,639	266,379	(23,260)
Transportation	51,641	51,228	(413)	2,192,331	2,164,488	(27,843)
Social assistance	846,203	836,531	(9,672)	2,000	1,466	(534)
Public protection and justice	1,578,296	1,546,749	(31,547)	52,733	52,733	--
Natural resources and recreation	179,617	176,098	(3,519)			
Debt service:						
Principal						
Interest						
Capital outlays	79,287	78,680	(607)	19,568	19,086	(482)
<b>Total expenditures</b>	<b>19,606,939</b>	<b>19,391,768</b>	<b>(215,171)</b>	<b>2,556,271</b>	<b>2,504,152</b>	<b>(52,119)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>37,320</b>	<b>943,713</b>	<b>906,393</b>	<b>68,139</b>	<b>248,150</b>	<b>180,011</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>						
Proceeds from general and special obligation bond issues						
Operating transfers-in	3,422,000	3,522,980	100,980	1,303,428	1,334,566	31,138
Operating transfers-out	(4,320,010)	(4,320,010)	--	(1,455,228)	(1,455,228)	--
<b>Budgetary funds-nonbudgeted accounts</b>						
<b>Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources and budgetary funds-nonbudgeted accounts</b>	<b>(860,690)</b>	<b>146,683</b>	<b>1,007,373</b>	<b>(83,661)</b>	<b>127,488</b>	<b>211,149</b>
Budgetary fund balances (deficits), July 1, 1998, as previously reported	355,892	355,892	--	707,364	707,364	--
Reclassifications between budgetary/nonbudgetary funds-net						
Budgetary fund balances (deficits), July 1, 1998, as reclassified	355,892	355,892	--	707,364	707,364	--
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1999</b>	<b>\$ (504,798)</b>	<b>\$ 502,575</b>	<b>\$ 1,007,373</b>	<b>\$ 623,703</b>	<b>\$ 834,852</b>	<b>\$ 211,149</b>

The accompanying notes to the financial statements are an integral part of this statement.

University Funds			Special State Funds			Bond Financed Funds		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
			\$ 1,720,608	\$ 1,720,608	\$ --			
			547,939	561,202	13,263			
			62,900	63,846	946			
			388,336	403,415	15,079			
\$ 31	\$ 9	(22)	1,520,100	1,524,357	4,257			
406	447	41	3,769,364	3,859,221	89,857			
2	--	(2)	905,853	898,195	(7,658)			
435	456	21	7,103,394	7,234,454	131,060			
			2,262,038	1,967,943	(294,095)	\$ 548	\$ 61	\$ (487)
497	373	(124)	288,010	256,006	(32,004)	192,455	185,476	(6,979)
			3,829,634	3,661,502	(168,132)	33,290	32,086	(1,204)
			257,297	232,391	(24,906)	42,398	40,227	(2,171)
			22,692	21,713	(979)			
			290,169	208,994	(81,175)	252	77	(175)
			458,500	384,852	(73,648)	52,593	51,424	(1,169)
20		(20)	13,387	12,102	(1,285)	206,889	206,700	(189)
517	373	(144)	7,421,727	6,745,503	(676,224)	528,425	516,051	(12,374)
(82)	83	165	(318,333)	488,951	807,284	(528,425)	(516,051)	12,374
			1,816,322	1,874,067	57,745	620,000	661,539	41,539
(1)	(1)	---	(1,628,161)	(1,628,161)	--	80,000	80,000	---
						(80,000)	(80,000)	---
			(124,876)	(124,876)	--			
(83)	82	165	(255,048)	609,981	865,029	91,575	145,488	53,913
115	115	---	1,054,756	1,054,756	--	373,108	373,108	---
			(578)	(578)	--			
115	115	---	1,054,178	1,054,178	--	373,108	373,108	---
\$ 32	\$ 197	\$ 165	\$ 799,130	\$ 1,664,159	\$ 865,029	\$ 464,683	\$ 518,596	\$ 53,913

(continued)



# State of Illinois

## Combined Statement of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) All Budgeted Fund Groups (See Note 2)

For the Year Ended June 30, 1999 (Expressed in Thousands)

(continued)

	Debt Service Funds			Federal Trust Funds		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES</b>						
Income taxes						
Sales taxes						
Motor fuel taxes						
Public utility taxes						
Federal government	\$ 340	\$ 90	\$ (250)	\$ 2,632,429	\$ 2,237,629	\$ (394,800)
Other	18,814	20,838	2,024	124,148	93,384	(30,764)
Less:						
Refunds				2,944	490	(2,454)
<b>Total revenues</b>	<b>19,154</b>	<b>20,928</b>	<b>1,774</b>	<b>2,753,633</b>	<b>2,330,523</b>	<b>(423,110)</b>
<b>EXPENDITURES</b>						
Current:						
Health and social services				805,798	643,384	(162,414)
Education				1,186,072	1,016,307	(169,765)
General government				702,609	292,878	(409,731)
Transportation				97,325	97,129	(196)
Social assistance				339,337	189,825	(149,512)
Public protection and justice				279,192	102,277	(176,915)
Natural resources and recreation				52,697	36,088	(16,609)
Debt service:						
Principal	837,134	835,922	(1,212)			
Interest	281,985	267,956	(14,029)			
Capital outlays				12,002	6,709	(5,293)
<b>Total expenditures</b>	<b>1,119,119</b>	<b>1,103,878</b>	<b>(15,241)</b>	<b>3,475,032</b>	<b>2,384,597</b>	<b>(1,090,435)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(1,099,965)</b>	<b>(1,082,950)</b>	<b>17,015</b>	<b>(721,399)</b>	<b>(54,074)</b>	<b>667,325</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>						
Proceeds from general and special obligation bond issues	173,179	173,179	-- --			
Operating transfers-in	929,197	914,915	(14,282)	31,048	28,146	(2,902)
Operating transfers-out				(443)	(443)	-- --
<b>Budgetary funds-nonbudgeted accounts</b>				<b>(16,204)</b>	<b>(16,204)</b>	<b>-- --</b>
<b>Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources and budgetary funds-nonbudgeted accounts</b>	<b>2,411</b>	<b>5,144</b>	<b>2,733</b>	<b>(706,998)</b>	<b>(42,575)</b>	<b>664,423</b>
Budgetary fund balances (deficits), July 1, 1998, as previously reported	456,675	456,675	-- --	(78,938)	(78,938)	-- --
Reclassifications between budgetary/nonbudgetary funds-net				159	159	-- --
Budgetary fund balances (deficits), July 1, 1998, as reclassified	456,675	456,675	-- --	(78,779)	(78,779)	-- --
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1999</b>	<b>\$ 459,086</b>	<b>\$ 461,819</b>	<b>\$ 2,733</b>	<b>\$ (785,777)</b>	<b>\$ (121,354)</b>	<b>\$ 664,423</b>

Revolving Funds			State Trust Funds			Total (Memorandum Only)		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
						\$ 9,810,608	\$ 10,068,287	\$ 257,679
			\$ 353,117	\$ 353,117	\$ --	6,381,056	6,522,964	141,908
			26,128	26,128	--	1,303,928	1,354,851	50,923
						1,378,336	1,394,565	16,229
			231,295	128,186	(103,109)	8,538,795	8,135,144	(403,651)
\$ 252,946	\$ 266,777	\$ 13,831	593,552	636,397	42,845	7,148,684	7,551,229	402,545
129	32	(97)				959,213	942,323	(16,890)
252,817	266,745	13,928	1,204,092	1,143,828	(60,264)	33,602,194	34,084,717	482,523
			34,085	27,181	(6,904)	11,326,709	10,757,915	(568,794)
1,118	586	(552)	216,483	127,087	(89,396)	9,237,704	8,909,769	(327,935)
244,730	223,122	(21,608)	168,202	151,973	(16,229)	6,562,690	5,887,122	(675,568)
1,000	896	(104)				2,641,992	2,586,359	(55,633)
			137,715	107,457	(30,258)	1,347,947	1,156,992	(190,955)
48,565	42,888	(5,677)	22,723	13,396	(9,327)	2,271,930	1,967,114	(304,816)
			6,441	3,537	(2,904)	749,848	651,999	(97,849)
						837,134	835,922	(1,212)
						281,985	267,956	(14,029)
4,672	2,148	(2,524)	5,900	4,789	(1,111)	341,725	330,214	(11,511)
300,085	269,620	(30,465)	591,549	435,420	(156,129)	35,599,664	33,351,362	(2,248,302)
(47,268)	(2,875)	44,393	612,543	708,408	95,865	(1,997,470)	733,355	2,730,825
						793,179	834,718	41,539
--	1,511	1,511	1	40	39	7,581,996	7,756,225	174,229
(97)	(97)	--	(94,578)	(94,578)	--	(7,578,518)	(7,578,518)	--
(8,089)	(8,089)	--	(629,137)	(629,137)	--	(778,306)	(778,306)	--
(55,454)	(9,550)	45,904	(111,171)	(15,267)	95,904	(1,979,119)	967,474	2,946,593
57,732	57,732	--	167,063	167,063	--	3,093,767	3,093,767	--
			185	185	--	(234)	(234)	--
57,732	57,732	--	167,248	167,248	--	3,093,533	3,093,533	--
\$ 2,278	\$ 48,182	\$ 45,904	\$ 56,077	\$ 151,981	\$ 95,904	\$ 1,114,414	\$ 4,061,007	\$ 2,946,593



**State of Illinois**

**Combined Statement of Revenues, Expenses and Changes in Retained Earnings/Fund Balances - All Proprietary Fund Types, Nonexpendable Trust Funds, and Discretely Presented Component Units**

For the Year Ended June 30, 1999 (Expressed in Thousands)

	Proprietary Fund Type		Fiduciary Fund Type	Total (Memorandum Only)	Component Units	Total (Memorandum Only)
	Enterprise	Internal Service	Non- expendable Trust	Primary Government		Reporting Entity
<b>OPERATING REVENUES</b>						
Charges for sales and services	\$ 1,757,044	\$ 1,091,714	\$ 38	\$ 2,848,796	\$ 211,385	\$ 3,060,181
Interest and other investment income	96,141	58	186	96,385	113,811	210,196
Other	30,299	3,547	7	33,853	156,874	190,727
<b>Total operating revenues</b>	<b>1,883,484</b>	<b>1,095,319</b>	<b>231</b>	<b>2,979,034</b>	<b>482,070</b>	<b>3,461,104</b>
<b>OPERATING EXPENSES</b>						
Cost of sales and services	154,213	224,155		378,368	48,279	426,647
Benefit payments and refunds	162,813	590,241		753,054	46,694	799,748
Prizes and claims	812,707			812,707		812,707
Interest	62,446	1		62,447	6,090	68,537
General and administrative	145,207	29,543	21	174,771	189,880	364,651
Depreciation	1,678	13,991		15,669	59,644	75,313
Other	11,394	8,187		19,581	1,269	20,850
<b>Total operating expenses</b>	<b>1,350,458</b>	<b>866,118</b>	<b>21</b>	<b>2,216,597</b>	<b>351,856</b>	<b>2,568,453</b>
<b>Operating income</b>	<b>533,026</b>	<b>229,201</b>	<b>210</b>	<b>762,437</b>	<b>130,214</b>	<b>892,651</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Interest and investment income	3,792	2,070	340	6,202	56,247	62,449
Interest expense	(1,581)	(496)		(2,077)	(165,598)	(167,675)
Other revenues	385	752		1,137	6,745	7,882
Other expenses	(458)	(536)		(994)	(1,672)	(2,666)
<b>Income before operating transfers</b>	<b>535,164</b>	<b>230,991</b>	<b>550</b>	<b>766,705</b>	<b>25,936</b>	<b>792,641</b>
Operating transfers-in		1,482	2,471	3,953	8,984	12,937
Operating transfers from primary government					15,578	15,578
Operating transfers-out	(520,916)	(78)	(58)	(521,052)	(313)	(521,365)
Operating transfers to component units		(209,323)		(209,323)		(209,323)
<b>Net income</b>	<b>14,248</b>	<b>23,072</b>	<b>2,963</b>	<b>40,283</b>	<b>50,185</b>	<b>90,468</b>
Retained earnings/fund balances, July 1, 1998, as previously reported	166,156	102,778	8,159	277,093	1,710,150	1,987,243
Restatement of retained earnings/fund balances	(2,709)			(2,709)	(111,352)	(114,061)
Retained earnings/fund balances July 1, 1998, as restated	163,447	102,778	8,159	274,384	1,598,798	1,873,182
<b>RETAINED EARNINGS/FUND BALANCES, JUNE 30, 1999</b>	<b>\$ 177,695</b>	<b>\$ 125,850</b>	<b>\$ 11,122</b>	<b>\$ 314,667</b>	<b>\$ 1,648,983</b>	<b>\$ 1,963,650</b>

The accompanying notes to the financial statements are an integral part of this statement.



# Combined Statement of Cash Flows - All Proprietary Fund Types, Nonexpendable Trust Funds and Discretely Presented Component Units

For the Year Ended June 30, 1999 (Expressed in Thousands)

	Proprietary Fund Type		Fiduciary Fund Type	Total (Memorandum Only)	Total (Memorandum Only)	Total (Memorandum Only)
	Enterprise	Internal Service	Nonexpendable Trust	Primary Government	Component Units	Reporting Entity
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Cash received from sales and services	\$ 1,832,268	\$ 1,053,356	\$ 38	\$ 2,885,662	\$ 512,430	\$ 3,398,092
Cash payments to suppliers for goods and services	(349,268)	(778,673)		(1,127,941)	(68,505)	(1,196,446)
Cash payments to employees for services	(112,847)	(56,612)		(169,459)	(50,376)	(219,835)
Cash payments for lottery prizes	(784,851)			(784,851)		(784,851)
Cash receipts from other operating activities	190,218	72	21	190,311	167,427	357,738
Cash payments for other operating activities	(340,941)	(2,137)	(20)	(343,098)	(356,023)	(699,121)
Net cash provided by operating activities	434,579	216,006	39	650,624	204,953	855,577
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Proceeds from sale of revenue bonds and other borrowing	270,289			270,289	273,418	543,707
Principal paid on revenue bonds and other borrowing	(96,435)			(96,435)	(267,841)	(364,276)
Interest paid on revenue bonds and other borrowing	(1,580)			(1,580)	(128,034)	(129,614)
Operating transfers-in from other funds	85	1,485	2,471	4,041	8,326	12,367
Operating transfers from primary government					16,224	16,224
Operating transfers-out to other funds	(542,370)	(81)	(58)	(542,509)	(313)	(542,822)
Operating transfers to component units		(209,323)		(209,323)		(209,323)
Other noncapital financing activities	(23)	(15)		(38)	3,369	3,331
Net cash provided (used) by noncapital financing activities	(370,034)	(207,934)	2,413	(575,555)	(94,851)	(670,406)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Proceeds from sale of revenue bonds		6,118		6,118	343,467	349,585
Acquisition and construction of capital assets	(1,818)	(16,087)		(17,905)	(136,873)	(154,778)
Principal paid on bond maturities and equipment contracts	(5,192)	(13,159)		(18,351)		(18,351)
Interest paid on bond maturities and equipment contracts		(496)		(496)	(29,927)	(30,423)
Proceeds from sale of equipment					324	324
Other capital and related financing activities	19			19	(385,198)	(385,179)
Net cash (used) in capital and related financing activities	(6,991)	(23,624)		(30,615)	(208,207)	(238,822)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Purchase of investment securities	(288,099)		(67)	(288,166)	(2,409,982)	(2,698,148)
Proceeds from sale and maturities of investment securities	276,927			276,927	2,402,054	2,678,981
Interest and dividends on investments	23,220	2,108	496	25,824	50,270	76,094
Net cash provided by investing activities	12,048	2,108	429	14,585	42,342	56,927
Net increase (decrease) in cash and cash equivalents	69,602	(13,444)	2,881	59,039	(55,763)	3,276
Cash and cash equivalents, July 1, 1998*	251,522	121,405	6,920	379,847	434,565	814,412
<b>CASH AND CASH EQUIVALENTS, JUNE 30, 1999</b>	<b>\$ 321,124</b>	<b>\$ 107,961</b>	<b>\$ 9,801</b>	<b>\$ 438,886</b>	<b>\$ 378,802</b>	<b>\$ 817,688</b>
<b>Reconciliation of cash and cash equivalents to the balance sheet:</b>						
Total cash and cash equivalents per the balance sheet	\$ 224,827	\$ 107,961	\$ 3,240,595	\$ 3,573,383	\$ 702,652	\$ 4,276,035
Add: restricted cash equivalents	96,297			96,297	25,456	121,753
Less: expendable trust, pension, investment and nonproprietary component units			(3,230,794)	(3,230,794)	(349,306)	(3,580,100)
<b>CASH AND CASH EQUIVALENTS, JUNE 30, 1999</b>	<b>\$ 321,124</b>	<b>\$ 107,961</b>	<b>\$ 9,801</b>	<b>\$ 438,886</b>	<b>\$ 378,802</b>	<b>\$ 817,688</b>
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>						
<b>Operating income</b>	<b>\$ 533,026</b>	<b>\$ 229,201</b>	<b>\$ 210</b>	<b>\$ 762,437</b>	<b>\$ 130,214</b>	<b>\$ 892,651</b>
<b>Adjustments to reconcile operating income to net cash provided (used) by operating activities:</b>						
Depreciation	1,678	13,991		15,669	59,643	75,312
Provision for uncollectible accounts	(1,581)	(2,080)		(3,661)	1,651	(2,010)
<b>Changes in assets and liabilities:</b>						
(Increase) decrease in accounts receivable	(170,378)	(367)	1	(170,744)	9,067	(161,677)
(Increase) decrease in due from other funds	152	(16,877)		(16,725)	20,558	3,833
(Increase) decrease in due from component units		59		59		59
(Increase) decrease in inventory	(486)	549		63		63
(Increase) decrease in prepaid expenses	(41)	(481)		(522)	(658)	(1,180)
Increase (decrease) in accounts payable and accrued liabilities	7,065	14,839		21,904	(49,090)	(27,186)
Increase (decrease) in intergovernmental payables	6	194	1	201	4,928	5,129
Increase (decrease) in due to other funds	171	(979)		(808)	(20,646)	(21,454)
Increase (decrease) in due to primary government					14	14
Increase (decrease) in due to component units		(31)		(31)		(31)
Increase (decrease) in deferred revenues	247	7,398		7,645	2,094	9,739
Increase (decrease) in other liabilities	64,853	(29,380)		35,473	4,308	39,781
Other	(133)	(30)	(173)	(336)	42,870	42,534
Total adjustments	(98,447)	(13,195)	(171)	(111,813)	74,739	(37,074)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>\$ 434,579</b>	<b>\$ 216,006</b>	<b>\$ 39</b>	<b>\$ 650,624</b>	<b>\$ 204,953</b>	<b>\$ 855,577</b>
<b>Noncash investing, capital, and financing activities</b>						
Capital leases (initial year) Fair Market Value	\$ --	\$ 125	\$ --	\$ 125	\$ --	\$ 125

\* Due to a reclassification of fund type, prior year cash for the Enterprise fund type has been decreased \$2,914 (See Note 3 to the financial statements).

The accompanying notes to the financial statements are an integral part of this statement.



**State of Illinois**

**Combined Statement of Changes in Net Assets**

**Pension and Investment Trust Funds**

For the Year Ended June 30, 1999 (Expressed in Thousands)

	Pension Trust	Investment Trust	Total (Memorandum only)
<b>ADDITIONS</b>			
Contributions:			
Employer	\$ 1,185,824		\$ 1,185,824
Plan Members	1,258,293		1,258,293
Other	33,014		33,014
Total contributions	2,477,131		2,477,131
Participants' deposits, net		\$ 472,026	472,026
Total contributions and participants' deposits, net	2,477,131	472,026	2,949,157
Investment income:			
Interest and other investment income	1,449,949	257,438	1,707,387
Net appreciation (depreciation) of investments	2,914,574	(59,787)	2,854,787
Investment expense	(209,893)	(2,970)	(212,863)
Net investment income	4,154,630	194,681	4,349,311
Total additions	6,631,761	666,707	7,298,468
<b>DEDUCTIONS</b>			
Benefit payments and refunds	2,372,320		2,372,320
Participants' withdrawals, net		166,108	166,108
Interest expense	1,300		1,300
Distribution to pool investors		136,135	136,135
General and administration	25,627		25,627
Depreciation	2,072		2,072
Other	168		168
Total deductions	2,401,487	302,243	2,703,730
Net additions	4,230,274	364,464	4,594,738
Fund balances reserved for employees' pension benefits, and external investment pool participants, July 1, 1998	37,243,492	4,199,951	41,443,443
<b>FUND BALANCES RESERVED FOR EMPLOYEES' PENSION BENEFITS AND EXTERNAL INVESTMENT POOL PARTICIPANTS, JUNE 30, 1999</b>	<b>\$ 41,473,766</b>	<b>\$ 4,564,415</b>	<b>\$ 46,038,181</b>

The accompanying notes to the financial statements are an integral part of this statement.

**This Page Intentionally Left Blank**



**State of Illinois**

**Combining Statement of Change in Fund Balances -  
University Component Units**

For the Year Ended June 30, 1999 (Expressed in Thousands)

	Component Units				
	Chicago State University	Eastern Illinois University	Governors State University	Northeastern Illinois University	Western Illinois University
<b>REVENUES AND OTHER ADDITIONS</b>					
Unrestricted current fund revenues	\$ 23,662	\$ 66,565	\$ 21,561	\$ 26,085	\$ 79,211
Federal and local grants and contracts-restricted	15,835	6,392	9,156	10,241	11,577
State grants and contracts-restricted		954	401	79	
Other state sources		280			249
Private gifts, grants and contracts-restricted	165	3,133	678	1,970	4,880
Investment income	272	1,949	102	47	1,246
Realized gain (loss) on investments-restricted (net)					
Interest and fees on loans receivable	132	113	63	162	36
Expended for plant facilities:					
Current funds		7,281	2,044	4,426	6,748
Plant funds	2,737	4,385		2,037	1,252
Other			479		
Retirement of long-term obligations	390	30,958		1,734	1,397
Other		6,396	576	1,166	2,032
<b>Total revenues and other additions</b>	<b>43,193</b>	<b>128,406</b>	<b>35,060</b>	<b>47,947</b>	<b>108,628</b>
<b>EXPENDITURES AND OTHER DEDUCTIONS</b>					
Educational and general expenditures	79,836	106,467	59,600	80,655	129,309
Auxiliary enterprises expenditures	3,847	20,851	1,058	1,840	27,223
Hospital expenditures					
Independent operations expenditures		923			
Foundation expenditures	720		571	192	2,918
Indirect costs recovered		350		344	664
Refunds of grants and adjustments to grants					
Loan cancellation and write-offs	13	96		75	43
Change in allowance for uncollectible notes				48	12
Administrative and collection cost	9	36	291	46	62
Expended for plant facilities (including noncapitalized expenditures of \$42,548)	813	6,747		2,592	3,627
Retirement of long-term obligations	1,859	7,214		574	3,473
Disposal of plant facilities		3,820	3,129	3,495	2,319
Other	2,548	37,803			4,001
<b>Total expenditures and other deductions</b>	<b>89,645</b>	<b>184,307</b>	<b>64,649</b>	<b>89,861</b>	<b>173,651</b>
<b>TRANSFERS-ADDITIONS (DEDUCTIONS)</b>					
Nonmandatory transfers:					
Operating transfers-in		22	12		
Operating transfers from primary government	47,710	63,624	33,678	52,648	75,195
Operating transfers-out					(14)
Other					
<b>Total transfers-additions (deductions)</b>	<b>47,710</b>	<b>63,646</b>	<b>33,690</b>	<b>52,648</b>	<b>75,181</b>
<b>Net increase (decrease)</b>	<b>1,258</b>	<b>7,745</b>	<b>4,101</b>	<b>10,734</b>	<b>10,158</b>
Fund balances, July 1, 1998	79,384	172,863	71,858	108,704	224,685
<b>FUND BALANCES, JUNE 30, 1999</b>	<b>\$ 80,642</b>	<b>\$ 180,608</b>	<b>\$ 75,959</b>	<b>\$ 119,438</b>	<b>\$ 234,843</b>

The accompanying notes to the financial statements are an integral part of this statement.

Component Units (continued)				
Illinois State University	Northern Illinois University	Southern Illinois University	University of Illinois	Total
\$ 134,795	\$ 146,540	\$ 244,900	\$ 966,449	\$ 1,709,768
12,103	15,958	47,521	367,470	496,253
7,303	6,645	5,911	64,680	85,973
				529
10,443	10,374	28,189	179,254	239,086
3,592	3,402	7,398	30,192	48,200
26	(1,292)		53,548	52,282
226	178	378	1,525	2,813
17,219	8,195	12,049	123,351	181,313
6,079		17,818	75,948	110,256
			668	1,147
6,619	3,245	3,820	25,187	73,350
2,887	21,120	25,674	125,310	185,161
201,292	214,365	393,658	2,013,582	3,186,131
227,799	245,607	534,738	1,971,748	3,435,759
36,008	47,876	51,506	159,063	349,272
			258,868	258,868
			5,368	6,291
	1,339		28,319	34,059
784	2,073	4,534	86,650	95,399
		449	2,938	3,387
249	62	73	246	857
17	78	109	189	453
8	77	225	2,366	3,120
7,666	22,084	31,385	100,072	174,986
5,651	8,664	7,174	50,232	84,841
4,241	5,983	1,783	95,911	120,681
6,670	20,865	26,355	16,243	114,485
289,093	354,708	658,331	2,778,213	4,682,458
111,539	135,045	1,476	949,904	1,765,927
(78)	(15)	296,584	(1,399)	(1,510)
	3,481	(4)		5,916
111,461	138,511	2,435	948,505	1,771,843
23,660	(1,832)	35,818	183,874	275,516
412,568	430,561	784,874	3,896,571	6,184,068
\$ 436,228	\$ 428,729	\$ 820,692	\$ 4,082,445	\$ 6,459,584



**State of Illinois**

**Combining Statement of University Current Funds -  
Revenues, Expenditures and Other Changes  
University Component Units**

For the Year Ended June 30, 1999 (Expressed in Thousands)

	Chicago State University	Eastern Illinois University	Unrestricted Governors State University	Northeastern Illinois University	Western Illinois University
<b>REVENUES</b>					
Tuition and fees	\$ 17,089	\$ 36,372	\$ 5,773	\$ 21,051	\$ 30,932
Federal and local grants and contracts		170		373	
State grants and contracts		181		2	
Private gifts, grants and contracts	597	59		530	84
Investment income	17	1,313	184	490	1,798
Sales and services	3,345	25,160	1,180	3,224	42,362
Other	2,614	3,310	14,424	415	4,035
Total revenues	23,662	66,565	21,561	26,085	79,211
<b>EXPENDITURES AND MANDATORY TRANSFERS</b>					
Educational and general:					
Instruction	34,139	47,375	19,437	25,453	40,837
Research	378	258	20	14	1,247
Public service	803	1,728		1,983	2,001
Academic support	4,595	9,967	1,959	5,887	26,370
Student services	5,679	11,308	907	5,378	13,027
Institutional support	8,704	10,880	21,467	18,129	15,838
Operation and maintenance of plant	6,624	9,639	4,562	9,290	11,944
Scholarships and fellowships	2,125	3,606	433	1,476	2,974
Total educational and general	63,047	94,761	48,785	67,610	114,238
Auxiliary enterprises	3,847	20,851	1,058	1,832	27,223
Hospitals					
Independent operations		216			240
Total expenditures	66,894	115,828	49,843	69,442	141,701
Mandatory transfers:					
Retirement of long-term obligations		4,487		574	3,300
Student loan matching grant		234	59	52	22
Renewal and replacement				50	2,336
Other	1,680		137		225
Total mandatory transfers	1,680	4,721	196	676	5,883
Total expenditures and mandatory transfers	68,574	120,549	50,039	70,118	147,584
<b>OPERATING TRANSFERS AND ADDITIONS (DEDUCTIONS)</b>					
Operating transfers-in					
Operating transfers from primary government	45,527	59,850	28,774	47,964	70,472
Operating transfers-out					
Operating transfers to primary government					
Other transfers		(4,424)		(418)	(2,045)
Excess (deficiency) of restricted receipts over transfers to revenue					
Other additions (deductions)		(28)			
Total operating transfers and additions (deductions)	45,527	55,398	28,774	47,546	68,427
<b>TOTAL INCREASE (DECREASE) IN FUND BALANCE</b>	\$ 615	\$ 1,414	\$ 296	\$ 3,513	\$ 54

The accompanying notes to the financial statements are an integral part of this statement.

Unrestricted (continued)				
Illinois State University	Northern Illinois University	Southern Illinois University	University of Illinois	Total
\$ 71,174	\$ 68,593	\$ 97,359	\$ 272,527	\$ 620,870
623	1,682	2,675	75,496	81,019
446	644	359	3,296	4,928
82	478	1,479	9,952	13,261
1,268	820	4,768	3,528	14,186
54,197	63,234	97,828	571,137	861,667
7,005	11,089	40,432	30,513	113,837
134,795	146,540	244,900	966,449	1,709,768
79,670	92,660	179,292	613,611	1,132,474
1,860	4,185	11,232	93,739	112,933
6,004	5,150	19,254	117,451	154,374
11,421	23,333	70,515	129,962	284,009
21,715	10,096	39,415	55,743	163,268
51,601	49,354	75,811	136,649	388,433
23,542	16,281	44,240	137,455	263,577
2,384	12,527	8,044	103,874	137,443
198,197	213,586	447,803	1,388,484	2,636,511
35,784	47,855	50,760	159,058	348,268
			258,868	258,868
			5,368	5,824
233,981	261,441	498,563	1,811,778	3,249,471
5,278	7,301	6,480	34,080	61,500
	30	177	218	792
8,089	4,011	583	5,374	20,443
	957			2,999
13,367	12,299	7,240	39,672	85,734
247,348	273,740	505,803	1,851,450	3,335,205
106,244	129,511	264,699	922,066	1,675,107
(2,817)		(1,810)	(25,742)	(37,256)
3,586	3,416			6,974
107,013	132,927	262,889	896,324	1,644,825
\$ (5,540)	\$ 5,727	\$ 1,986	\$ 11,323	\$ 19,388



**State of Illinois**

**Combining Statement of University Current Funds -  
Revenues, Expenditures and Other Changes  
University Component Units**

For the Year Ended June 30, 1999 (Expressed in Thousands)

	Chicago State University	Eastern Illinois University	Restricted Governors State University	Northeastern Illinois University	Western Illinois University
<b>REVENUES</b>					
Tuition and fees					
Federal and local grants and contracts	\$ 15,820	\$ 6,129	\$ 8,844	\$ 9,837	\$ 10,894
State grants and contracts		603	401	78	
Private gifts, grants and contracts	165	2,457		1,886	2,719
Investment income	272	1,230	68	43	422
Sales and services					
Other		142	1,078		1,177
Total revenues	16,257	10,561	10,391	11,844	15,212
<b>EXPENDITURES AND MANDATORY TRANSFERS</b>					
Educational and general:					
Instruction	1,124	546	1,096	368	977
Research	1,601	285	40	72	4,530
Public service	2,926	5,392	1,234	5,112	3,154
Academic support	66	716	13	99	11
Student services	1,206	25	8,148	589	26
Institutional support	228	441	855	79	297
Operation and maintenance of plant	191	175			6
Scholarships and fellowships	9,936	4,124		5,985	6,070
Total educational and general	17,278	11,704	11,386	12,304	15,071
Auxiliary enterprises				8	
Hospitals					
Independent operations		707			2,653
Total expenditures	17,278	12,411	11,386	12,312	17,724
Mandatory transfers:					
Retirement of long-term obligations		1			
Student loan matching grant		(181)			
Renewal and replacement					
Other	13		(132)		(225)
Total mandatory transfers	13	(180)	(132)		(225)
Total expenditures and mandatory transfers	17,291	12,231	11,254	12,312	17,499
<b>OPERATING TRANSFERS AND ADDITIONS (DEDUCTIONS)</b>					
Operating transfers-in		22	12		
Operating transfers from primary government	1,253	2,487	952	587	2,621
Operating transfers-out					(14)
Operating transfers to primary government					
Other transfers		(355)		3	(161)
Excess (deficiency) of restricted receipts over transfers to revenue		182	99	(38)	(79)
Other additions (deductions)		5			
Total operating transfers and additions (deductions)	1,253	2,341	1,063	552	2,367
<b>TOTAL INCREASE (DECREASE) IN FUND BALANCE</b>	<b>\$ 219</b>	<b>\$ 671</b>	<b>\$ 200</b>	<b>\$ 84</b>	<b>\$ 80</b>

The accompanying notes to the financial statements are an integral part of this statement.

Restricted (continued)					
Illinois State University	Northern Illinois University	Southern Illinois University	University of Illinois	Total	Total Current Funds
					\$ 620,870
\$ 11,942	\$ 14,794	\$ 44,376	\$ 292,053	\$ 414,689	495,708
7,303	5,686	5,698	60,502	80,271	85,199
8,779	9,385	23,444	187,519	236,354	249,615
962	(348)	1,613	14,381	18,643	32,829
	21			21	861,688
94	122	872	110,759	114,244	228,081
29,080	29,660	76,003	665,214	864,222	2,573,990
953	2,195	7,443	130,685	145,387	1,277,861
10,919	6,522	20,689	293,443	338,101	451,034
3,706	5,436	32,099	119,406	178,465	332,839
798		693	18,818	21,214	305,223
174		788	2,464	13,420	176,688
3,915	2	2,941	3,088	11,846	400,279
235	2,682	9	318	3,616	267,193
8,902	12,162	22,227	43,361	112,767	250,210
29,602	28,999	86,889	611,583	824,816	3,461,327
224	21	746	5	1,004	349,272
					258,868
				3,360	9,184
29,826	29,020	87,635	611,588	829,180	4,078,651
			3,091	3,092	64,592
				(181)	611
					20,443
				(344)	2,655
			3,091	2,567	88,301
29,826	29,020	87,635	614,679	831,747	4,166,952
		1,476		1,510	1,510
2,920	2,334	15,763	12,348	41,265	1,716,372
(78)	(15)	(4)	(1,399)	(1,510)	(1,510)
87		(1,833)	(4,076)	(6,335)	(43,591)
(835)		1,916	(44,376)	(43,131)	(43,131)
		(432)	(2,925)	(3,352)	3,622
2,094	2,319	16,886	(40,428)	(11,553)	1,633,272
\$ 1,348	\$ 2,959	\$ 5,254	\$ 10,107	\$ 20,922	\$ 40,310



*Index of Notes to the Financial Statements*

Note 1	Summary of Significant Accounting Policies.....	23
Note 2	Budgetary Basis VS. GAAP.....	34
Note 3	Reclassification/Restatement of Equity Balances.....	36
Note 4	Deposits and Investments.....	36
Note 5	Taxes Receivable.....	41
Note 6	Due From/To Other Funds and Component Units.....	42
Note 7	Loans and Notes Receivable.....	44
Note 8	Property, Plant and Equipment.....	45
Note 9	Notes Payable.....	47
Note 10	Retirement Systems.....	48
Note 11	General Obligation Bonds.....	51
Note 12	Special Obligation Bonds.....	53
Note 13	Revenue Bonds.....	54
Note 14	Other Long-Term Obligations.....	64
Note 15	Changes in Long-Term Obligations.....	73
Note 16	Fund Equity.....	74
Note 17	Fund Deficits.....	75
Note 18	Condensed Financial Statements-Discretely Presented Component Units.....	76
Note 19	Segment Information-Enterprise Funds.....	82
Note 20	Risk Management.....	83
Note 21	Deferred Compensation.....	83
Note 22	Contingencies.....	84
Note 23	Subsequent Events.....	84

# STATE OF ILLINOIS

## Notes to the Financial Statements

June 30, 1999

### **1** SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **A. Basis of Presentation**

The accompanying financial statements of the State of Illinois have been prepared in conformity with generally accepted accounting principles ("GAAP") as prescribed in pronouncements of the Governmental Accounting Standards Board ("GASB").

#### **B. Financial Reporting Entity**

The State of Illinois is a "primary government" whose financial statements consist of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The financial statements include all funds, account groups, elected offices, departments and agencies as well as boards, commissions, authorities, and universities for which the State's elected officials are financially accountable. Financial accountability exists when the State's governing body appoints a majority of an organization's governing board and (1) the State can impose its will upon the organization or (2) there is a potential for the organization to provide specific financial benefit to, or impose specific financial burdens on the State.

The State's governing body consists of the legislative, executive, and judicial branches of government. The legislative function is controlled by an elected General Assembly

composed of a 59-member Senate and a 118-member House of Representatives. The executive branch consists of the Governor, the chief executive of the State, the Lieutenant Governor, Attorney General, Secretary of State, Comptroller, and Treasurer. The judicial branch is composed of a seven-member Supreme Court, five Appellate court districts and twenty-two Circuit Court judicial districts including Cook County.

The financial statements distinguish between the "primary government" and its "component units." The State's participation in a joint venture, related organizations, and jointly governed organizations are separately disclosed below. The primary government, which consists of organizations that make up the State's legal entity, is the nucleus of the State's reporting entity and is generally the focal point for users of the financial statements. Component units are legally separate organizations for which the State is financially accountable. An overview of the State's component units is presented in the financial statements by "discrete" presentation (i.e., columns presently separately from the primary government). Condensed financial statements for the State's discretely presented component units are displayed in Note 18.

#### **Discretely Presented Components Units**

Component units are reported in separate columns to emphasize that they are legally separate from the State. Complete financial statements of the individual component units can be obtained from the respective component unit's administrative offices (as listed in parenthesis below). Except for the Board of Trustees of the University of Illinois, whose current board is partly elected, the major component units presented below have



governing bodies appointed by the governing board of the State. The State is financially accountable for these component units, and, therefore, they are reported in separate "discrete" columns in the State's financial statements.

1. *Illinois Conservation Foundation* ("Foundation"). The Foundation was created to promote, support, assist, sustain, and encourage the charitable, educational, scientific, and recreational programs, projects, and policies of the Illinois Department of Natural Resources. The State has the ability to impose its will on the Foundation. (Administrative Offices: 524 South Second Street, Springfield, Illinois 62701-1787).
2. *East St. Louis Financial Advisory Authority* ("Authority"). The Authority was created to provide a secure financial basis for and to furnish assistance to the city of East St. Louis. The State substantively approves the Authority's budget. (Administrative Offices: 10 Collinsville Avenue, East St. Louis, Illinois 62201).
3. *Illinois Medical District Commission* ("Commission"). The Commission was created to maintain and expand a designated "medical district." The State substantively approves the Commission's budget. (Administrative Offices: 600 South Hoyne, Chicago, Illinois 60612).
4. *Comprehensive Health Insurance Plan* ("CHIP") Board. The CHIP provides an alternate market for health insurance for eligible Illinois residents having a preexisting health condition. The State provides significant operating subsidies to the CHIP. (Administrative Offices: 400 West Monroe Street, Suite 202, Springfield, Illinois 62704).
5. *Illinois Development Finance Authority* ("IDFA"). The IDFA provides funding for industrial, commercial and manufacturing development in areas of Illinois with critical unemployment. The State appropriates funds for certain IDFA programs. (Administrative Offices: 233 South Wacker Drive, Suite 5310, Chicago, Illinois 60606).
6. *Illinois Housing Development Authority* ("IHDA"). The IHDA issues notes and bonds to make loans for the acquisition, construction and rehabilitation of housing and to encourage home ownership. The State approves bonds and notes issued by the IHDA and is secondarily liable for its debt if there are not sufficient IHDA monies to pay principal and interest. (Administrative Offices: 401 North Michigan Avenue, Suite 900, Chicago, Illinois 60611).
7. *Illinois Rural Bond Bank* ("Bond Bank"). The Bond Bank provides assistance to rural governmental units by providing adequate capital markets and facilities for borrowing money and financing public improvements at low interest rates. The State is secondarily liable for payment of principal and interest on the Bond Bank debt. Excess reserves of the Bond Bank must be returned to the State's General Fund. (Administrative Offices: 427 East Monroe Street, Suite 202, Springfield, Illinois 62701).
8. *Illinois State Toll Highway Authority* ("THA"). The THA operates a toll highway system to promote the public welfare and to facilitate vehicular traffic by providing convenient, safe, modern and limited access highways within Illinois. The State approves new toll highways and issuance of bonds. (Administrative Offices: One Authority Drive, Downers Grove, Illinois 60515). The THA reports on a December 31 year end.
9. *Boards' of Trustees of Chicago State University* ("CSU"), *Eastern Illinois University* ("EIU"), *Governors State University* ("GSU"), *Northeastern Illinois University* ("NEIU"), *Western Illinois University* ("WIU"), *Illinois State University* ("ISU"), and *Northern Illinois University* ("NIU") ("boards"). The boards of the respective universities operate, manage, control and maintain the schools. The State provides significant financial support to the boards of the universities. (Administrative



## Offices:

- CSU, 9501 South King Drive, Chicago, Illinois 60628
- EIU, 113 West Old Main, Charleston, Illinois 61920
- GSU, Route 54 & Stuenkel Road, University Park, Illinois 60466
- NEIU, 5500 North St. Louis Avenue, Chicago, Illinois 60625
- WIU, 1 University Circle, Macomb, Illinois 61455
- ISU, Campus Box 1200, Normal, Illinois 61790-1200
- NIU, 104 Altgeld Hall, DeKalb, Illinois 60115).

10. *Board of Trustees of Southern Illinois University ("SIU Board")*. The SIU Board operates, manages, controls and maintains Southern Illinois University. The State provides significant financial support to the SIU Board. (Administrative Offices: Colyer Hall, Carbondale, Illinois 62901).

11. *Board of Trustees of the University of Illinois ("U of I Board")*. The U of I Board operates, manages, controls and maintains the University of Illinois. The U of I Board contains both elected and appointed trustees who manage the University of Illinois. As existing board members' terms expire they will be appointed by the Governor. The State provides significant financial support to the U of I Board. (Administrative Offices: 346 Administration Building, 506 South Wright Street, Urbana, Illinois 61801).

### Joint Venture

The State is a participant with the states of Michigan, Minnesota, New York, Ohio, Pennsylvania, and Wisconsin in the Great Lakes Protection Fund ("Fund"), an Illinois not-for-profit corporation. The nation's first multi-state environmental endowment was established in 1989 for furthering Federal and State commitments to programs that restore and maintain the Great Lakes' water quality. This purpose is achieved by providing grant money for projects that promote the objectives of the

regional Great Lakes Toxic Substance Control Agreement and the binational Great Lakes Water Quality Agreement.

A state becomes a member of the Fund by agreeing to contribute an amount set forth in the Articles of Incorporation. In August 1998, Illinois made its final payment of \$4.2 million for a total contribution of \$15 million. There is still an outstanding amount due for \$1.8 million in interest, which stopped accruing upon receipt of the final payment. The required contribution from all member states at December 31, 1998, with Illinois' paid up membership is \$81 million. The Fund's net assets on that date were \$125 million.

Once a state agrees to make the required contribution, that state's governor becomes a "member" of the Fund. Each member is entitled to elect two individuals to the board of directors. Budgetary and financial decisions rest with the board of directors except where restricted by the Articles of Incorporation. Two-thirds of the Fund's income is used to finance projects compatible with the organization's objectives as set forth in the Articles of Incorporation. The remaining one-third of income is paid to member states in proportion to the amount and period of time that each state's contribution was invested with the Fund ("state shares"). Illinois did not receive a share payment in 1998 but has received nearly \$1.1 million since the Fund's inception. In accordance with the Articles of Incorporation, Illinois' state share will be used each year to reduce the amount of interest due until such time as the entire amount is eliminated. Illinois may make a cash payment at any time to expedite the reduction of interest due. The affirmative vote of all of the members is required for all actions of the Fund. Complete financial statements of the Fund can be obtained from the Fund's Administrative Offices at 35 East Wacker Drive, Suite 1880, Chicago, Illinois, 60601.

### Related Organizations

The State's officials are also responsible for appointing the majority of the boards of other organizations, but the State's accountability does not go beyond making the appointments. The State, generally the Governor, in certain instances



with the advice and consent of the Senate, appoints the members of the following boards:

- Central Midwest Interstate Low-Level Radioactive Waste Commission
- Havana Regional Port District
- Kaskaskia Regional Port District
- Mt. Carmel Regional Port District
- Shawneetown Regional Port District
- Southwest Regional Port District
- Tri-City Regional Port District
- Waukegan Port District
- White County Port District
- Illinois Community College System Foundation

The State maintains accounting records for the Central Midwest & Interstate Low-Level Radioactive Waste Commission. The Illinois Community College Board provides nominal support services for the Illinois Community College System Foundation. These are the only related-party activities that the State has with the above organizations.

### **Jointly Governed Organizations**

The State's officials, in conjunction with various other state and local government officials, are members of the boards of other organizations. However, the State has no ongoing financial interest or responsibility except the role of a participant in the various organizations' purpose and, in certain instances, pays annual dues or assessments. The Governor, sometimes with the advice and consent of the Senate, appoints the number of board members (as indicated in parenthesis below) of the following organizations:

- Bi-State Development Agency of the Missouri/Illinois Metropolitan District (5 of 10)
- Education Commission of the States (7 of approximately 350)
- Illinois/Indiana Bi-State Commission (2 of 12)
- Illinois/Indiana Bridge Commission (5 of 10)

- Illinois Valley Regional Port District (2 of 5)
- Interstate Mining Commission (1 of 17)
- Jackson/Union Counties Port District (4 of 23)
- Joliet Regional Port District (3 of 7)
- Lawyers Trust Fund (3 of 9)
- Midwestern Higher Education Commission (5 of 60)
- Northeastern Illinois Planning Commission (5 of 33)
- Ohio River Valley Water Sanitation Commission (2 of 18)
- Southwestern Illinois Metropolitan & Regional Planning Commission (8 appointed)
- Wabash Valley Interstate Commission (7 of 14)

The State has no significant related-party activities with the above organizations.

### **C. Fund Accounting**

Financial activities of the State are organized on the basis of individual funds and account groups, each of which is a separate accounting entity segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with specific regulations, restrictions or limitations. The financial activities of the State accounted for in the accompanying financial statements have been classified into the following fund categories and account groups:

### **Government Fund Types**

**General** – Transactions related to resources obtained and used for those services traditionally provided by a state government which are not required to be accounted for in other funds are accounted for in the General Fund. These services include, among others, social assistance, education (other than institutions of higher education), and health and social services. Certain resources obtained from federal grants and used to support general governmental activities are accounted for in the General Fund consistent with applicable legal requirements. The State's General Fund contains four primary sub-accounts (General Revenue, Education Assistance, Common School, and Medicaid



Provider Assessment Program) with numerous secondary sub-accounts.

**Special Revenue** – Transactions related to resources obtained from specific revenue sources (other than for expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes are accounted for in special revenue funds. Special revenue funds account for, among other things, federal grant programs, taxes levied with statutorily defined distributions, and other resources restricted as to purpose.

**Debt Service** – Transactions related to governmental resources obtained and accumulated to pay interest and principal on general long-term obligations (other than capital leases, compensated absences, workers' compensation, and unfunded retirement costs) are generally accounted for in debt service funds.

**Capital Projects** – Transactions related to resources obtained and used for the acquisition or construction of major capital facilities, including those provided to political subdivisions and other public organizations, which are charged to expenditures (other than those financed by proprietary, fiduciary, and university and college fund types) are accounted for in capital project funds. Such resources are derived principally from proceeds of general and special obligation bond issues.

### Proprietary Fund Types

**Enterprise** – Enterprise funds account for operations where the intent of the State is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where periodic measurement of the results of operations is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**Internal Service** – Internal service funds account for the operations of State agencies which render services and provide goods to other State agencies or governmental units on a cost-reimbursement basis.

### Fiduciary Fund Types

#### Trust

**Expendable** – Expendable trust funds account for assets held by the State in a trustee capacity where the principal and income may be expended in the course of the funds' designated operations.

**Nonexpendable** – Nonexpendable trust funds account for assets held by the State in a trustee capacity where only the income may be expended in the course of the funds' designated operations.

**Pension** – Pension trust funds account for transactions, assets, liabilities and fund balances reserved for employees' pension benefits of the various State public employee retirement systems.

**Investment** – Investment trust funds account for transactions, assets, liabilities and fund balances reserved for pool participants.

#### Agency

Agency funds account for the various taxes, deposits, deductions, and property collected by the State, acting in the capacity of an agent, for distribution to other governmental units or designated beneficiaries.

### Universities

University funds account for the operations of State universities, including their related foundations and associations (referred to as university related organizations or "UROs"). The UROs are component units of their related universities and the universities are, in turn, component units of the State. The discrete presentation of the universities within the State's financial statements is in accordance with NACUBO accounting and reporting principles. The universities are reported in the financial statements based upon their legal ownership as follows:

- Chicago State, Eastern Illinois, Governors State, Northeastern Illinois, Western Illinois,



Illinois State, and Northern Illinois are managed, operated, controlled, and maintained by individual boards of trustees at those universities.

- Board of Trustees of Southern Illinois University – Southern Illinois University at Carbondale, Edwardsville, and the Medical School at Springfield are operated, managed, controlled, and maintained by the SIU Board of Trustees.
- University of Illinois Board of Trustees – The University of Illinois at Champaign-Urbana, Chicago, Springfield, and the Medical Center at Chicago are managed by the University of Illinois Board of Trustees.

### Account Groups

**General Fixed Assets** - General fixed assets acquired or constructed for use by the State in the conduct of its activities, other than those accounted for in proprietary, fiduciary and university fund types are accounted for in the General Fixed Assets Account Group.

**General Long-Term Obligations** - Unmatured general and special obligation bonds, unfunded retirement costs, and other long-term obligations not recorded in proprietary, fiduciary and university fund types are recorded in the General Long-Term Obligations Account Group.

### D. *Basis of Accounting and Measurement Focus*

**Use of Estimates.** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Governmental Fund and Expendable Trust Funds.** The accounts of the general, special revenue, debt service, capital projects and

expendable trust funds are reported using a current financial resources measurement focus and modified accrual basis of accounting. Under this measurement focus only current assets and current liabilities are included on the balance sheet. Fund balance represents a measure of “available spendable resources.” Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available to finance expenditures of the fiscal year. “Measurable” means when the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period). Expenditures are recorded when the related fund liability is incurred. Significant revenue sources which are susceptible to accrual include individual and corporate income taxes, sales taxes, public utility taxes and motor fuel taxes.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one type, monies must be expended on the specific purpose or project before any amounts will be paid to the State; therefore, revenues are recognized based upon the expenditure recorded. In the other type, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Modifications to the accrual basis of accounting include:

- Self assessed taxes, principally income, excise and wealth taxes are recognized as receivables and revenues in the period to which they apply subject to their availability.
- Fines, penalties, licenses and other miscellaneous revenues are recognized when received since they normally are only measurable at that time.



- Interest on long-term obligations reflected in the General Long-Term Obligations Account Group is recognized in the debt service funds when it becomes payable.

**Proprietary Funds, Nonexpendable Trust, Pension Trust and Investment Trust Funds.** The accounts of the enterprise, internal service, nonexpendable trust, pension trust and investment trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. Under this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. Fund equity is segregated into contributed capital and retained earnings components for enterprise and internal service funds. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred.

As permitted by GASB Statement 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, generally, the State has elected to apply only statements and interpretations of the Financial Accounting Standards Board, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

The following major agencies, departments or component units, however, have elected to apply all statements and interpretations of the Financial Accounting Standards Board:

- Illinois Student Assistance Commission
- Comprehensive Health Insurance Board
- Illinois Farm Development Authority

**Agency Funds.** The accounts of agency funds are reported using the modified accrual basis of accounting as described above for governmental and expendable trust funds. Agency funds do not measure nor report operations. Instead, changes in assets and liabilities are presented for agency funds.

**University and College Funds.** The accounts of the university and college funds are reported using the accrual basis of accounting with the following exceptions:

- Depreciation expense related to plant fund assets generally is not recorded.
- Revenues and expenditures of an academic term encompassing more than one fiscal year are solely reported in the fiscal year in which the program is predominantly conducted.

### **E. Eliminations**

Eliminations have been integrated into the report to eliminate those items that would significantly overstate the financial activities of certain funds and intrafund accounts within the related fund type.

### **F. Total (Memorandum Only) Columns**

Total columns represent an aggregation of the fund type and account group financial statements. They are presented for informational purposes and do not represent consolidated financial information.

### **G. Budgetary Process**

The State Constitution requires the Governor to prepare and submit to the General Assembly an Executive Budget for the ensuing fiscal year. The budget covers most funds held by the State, but excludes all locally held funds and various treasury held funds which are not subject to appropriation pursuant to State law. The General Assembly enacts the budget through passage of specific line-item appropriations (i.e., personal services, contractual services, equipment, etc.), the sum of which must not exceed estimated revenues pursuant to the State Constitution. The Governor has the power to approve, reduce or veto each appropriation passed by the General Assembly. Transfers in/out contained in the Executive Budget are not a part of the General Assembly's appropriation process. The actual amounts are determined either by State law or by



discretionary action available to the Governor. The Statewide Accounting Management System ("SAMS") controls expenditures by line-item as established in approved appropriation bills and insures that appropriated expenditure amounts are not exceeded.

The level of legal control is at the fund level by agency or department as reported in a publication titled *Illinois Detailed Annual Report of Revenues and Expenditures*. A separate document is necessary since the State has approximately 10,400 appropriated line items. Administrative transfers between certain appropriation line items within the same treasury held fund cannot exceed 2% of the aggregate amount appropriated to an agency from that fund. Legislative action is required for more substantial transfers. Unexpended appropriations at June 30 are available for subsequent expenditure to the extent that encumbrances have been incurred at June 30, provided they are presented for payment during the succeeding 2-month "lapse period." Certain appropriations referred to as "reappropriations" represent the continuation of a prior year's program that requires additional time for completion.

Budgeted revenues in the accompanying Combined Statement of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances – Budget and Actual (Non-GAAP) represent original estimates, while budgeted expenditures represent original/continuing appropriations modified by supplemental and amendatory appropriations aggregating \$151.1 million. Budgets are essentially on the cash basis, modified for expenditures during the lapse period (beginning and end of year) as described in the preceding paragraph.

SAMS establishes the following budgetary fund groups to account for the State's budgetary activities:

**General** – funds established to account for those services traditionally provided by a state government which are not required to be

accounted for in other funds;

**Highway** – funds established to receive and distribute assessments related to transportation, and to support the construction and maintenance of transportation facilities and activities of the State;

**University** – funds established to receive revenues such as fees, tuition and excess income from auxiliary enterprises at State-supported institutions of higher education;

**Special State** – funds designated by statute as special funds in the State Treasury and not elsewhere classified;

**Bond Financed** – funds established to receive and administer the proceeds of various bond issues of the State;

**Debt Service** – funds established to finance and account for the payment of principal and interest generally associated with the general and special obligation bond issues of the State;

**Federal Trust** – funds established pursuant to grants and contracts or under statutory authority between State agencies and the federal government;

**Revolving** – funds established to finance and account for intra-governmental services; and,

**State Trust** – funds established by statute or under statutory authority for nonfederal programs which are not deemed to be a traditional governmental activity or elsewhere classified.

#### **H. Cash Equivalents**

Cash equivalents are defined as short-term, highly liquid investments readily convertible to cash with original maturities of three months or less. Cash equivalents consist principally of certificates of deposit, repurchase agreements, and U.S. treasury bills, and are stated at cost.



**I. Investments**

Investments are stated at fair value in accordance with GASB Statement 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Generally, the State's pension systems' marketable securities are valued at closing prices listed on national securities exchanges and quotes from independent pricing services as of June 30. Real estate and venture capital are valued based upon appraisals and discounted cash flow analysis.

The Illinois Funds operates as a 2a7-like pool and thus reports all investments at amortized cost rather than market value. The Treasurer's investment policies are governed by State statute. In addition, the Treasurer's Office has adopted its own investment practices that supplement the statutory requirement. The Treasurer's Office issues a separate financial report for The Illinois Funds. It may be obtained by contacting them at Jefferson Terrace, 300 West Jefferson Street, Second Level, Springfield, Illinois 62702.

Investment income is recorded as revenue in the General Fund, except for resources of retirement systems and certain other individual funds that are statutorily authorized to be separately invested and specifically credited with the income realized thereon. The State financial statements contain certain investments that meet the definition of "derivatives." Derivative investments are included in the pension trust funds as disclosed in Note 4.

**J. Inventories**

Inventories for governmental funds are valued at cost, principally on the first-in, first-out purchases method.

**K. Interfund Transactions**

The State has the following types of interfund transactions:

**Quasi-external transactions** – Charges for services rendered by one fund to another are treated as revenues of the

recipient fund and expenditures or expenses of the disbursing fund.

**Reimbursements** – Reimbursement of expenditures made by one fund for another are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

**Residual Equity Transfers** – Nonroutine or nonrecurring transfers between funds are reported as additions to or deductions from fund equity.

**Operating Transfers** – Legally authorized transfers other than residual equity transfers are reported as operating transfers.

**L. Property, Plant and Equipment**

Fixed assets are recorded at cost or, for donated assets, at fair market value at date of acquisition.

**General Fixed Assets** – Fixed asset records are used by the State primarily to assure accountability. Historical cost records for certain general fixed assets are incomplete or not available. Accordingly, estimated historical costs have been used. Public domain (infrastructure) general fixed assets such as highways, bridges, and lighting systems are not capitalized. Depreciation is not provided on general fixed assets and interest expenditures incurred during the construction period are not capitalized.

**Proprietary and Fiduciary Fund Types** – It is the State's policy to capitalize interest expense incurred on significant assets during their construction. Generally, property, plant and equipment, excluding land, are depreciated on the straight-line method over the estimated service lives of the respective assets as follows:

**Years**

Land improvements 20-50



Buildings and building improvements 20-50  
Equipment 3-10

**University Funds** – Generally, public domain (infrastructure) assets such as streets, sidewalks, and lighting systems are not capitalized. Depreciation generally is not provided on property, plant and equipment.

#### **M. Retirement Costs**

Substantially all State employees, including members of the General Assembly and Judicial Branch, participate in one of three State public employee retirement systems (see Note 10). The State also maintains and funds public employee retirement systems for employees of the various State supported universities, and for public school teachers in cities other than Chicago. It is the State's policy to fund retirement costs without regard to amounts calculated under the actuarial requirements. Based on actuarial consultations, the State's contributions have been less than the retirement benefits paid during the year for the last eighteen fiscal years. Prior to fiscal year 1982, the State had funded the retirement costs at a level at least as great as the retirement benefits paid during the year.

Effective July 1, 1996, the State adopted the provisions of GASB Statement 27, *Accounting for Pensions by State and Local Governmental Employers*, to determine pension costs. Accordingly, calculated pension cost comprises the employer's annual required contributions (i.e., the "ARC"), which equals normal cost plus interest on unfunded prior service costs and amortization of prior service cost over forty years, one year's interest on the net pension obligation, and an adjustment to the ARC to offset the effect of actuarial amortization of past under or over contributions.

#### **N. Capital Appreciation ("deep-discount") Bonds**

Capital appreciation bonds are those bonds that are issued at stated interest rates significantly

below their effective interest rate, resulting in a substantial discount. The implicit interest (i.e., discount) is not paid until the bond matures. Therefore, the net value of the bonds "accretes" (i.e., the discount is reduced) over the life of the bonds. For general and special obligation bonds, the accreted amounts are included in the General Long-Term Obligations Account Group.

#### **O. Compensated Absences**

The amounts of vested unpaid vacation and sick leave accumulated by State employees are accrued when incurred in proprietary, pension trust, university funds, and component units, which use the accrual basis of accounting. In the governmental funds, only the amounts that normally would be liquidated with expendable available financial resources are accrued as current-year expenditures. Legislation that became effective January 1, 1998 capped the paid sick leave for all State Employees' Retirement System members at December 31, 1997. Employees continue to accrue twelve sick days per year, but will not receive monetary compensation for any additional time earned after January 1, 1998. Sick days earned between 1984 and December 31, 1997 (with a 50% cash value) would only be used after all days with no cash value are depleted. Any sick days earned and unused after December 31, 1997 will be converted to service time for purposes of calculating employee pension benefits. The State's liability for unused vested sick leave and vacation time, including salary related costs (e.g., social security and Medicare tax), is recorded in the accompanying financial statements at the employees' current salary level. Unless it is anticipated that compensated absences will be used in excess of a normal year's accumulation, no additional expenditures are accrued. Therefore, the entire unpaid liability for the governmental funds, including governmental component units, is recorded in the General Long-Term Obligations Account Group.

**P. Workers' Compensation Liability**

The fund liabilities of the General Fund, Road and Mental Health (Special Revenue) Funds include the amount of workers' compensation claims that would normally be liquidated with expendable available financial resources. The remaining liability, based on the State's workers' compensation laws, is reported in the General Long-Term Obligations Account Group and University Funds.

**Q. Encumbrances**

The State employs encumbrance accounting for all governmental fund types. All contracts, purchase orders and other commitments for goods or services that have not been received/rendered by June 30 are reported as reservations of fund balances, not as expenditures.

**R. Reservations/Designations of Fund Equity****Reservations**

*Governmental and Fiduciary Funds* – Fund balances of governmental and fiduciary fund types that are legally restricted to a specific future use or that are not available for appropriation or expenditure are reported as reservations of fund balances.

*University Funds* – Fund balances of university funds that are legally restricted by outside sources to specific future use are reported as reservations of fund balances.

*Proprietary Funds* – Reserved retained earnings of the proprietary funds are legally restricted for the payment of capital maintenance and debt service related to revenue bonds and bond anticipation notes and for other purposes.

**Designations**

Designations of unreserved fund balances in governmental, fiduciary and university funds indicate the State's plan for use of financial resources in future periods.



## 2 BUDGETARY BASIS VS. GAAP

The accompanying Combined Statement of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances-Budget and Actual

(Non-GAAP), All Budgeted Fund Groups, presents comparisons of the legally adopted budget (more fully described in Note 1-G) with actual data on a budgetary basis. Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial

BUDGETARY FUND GROUPS	Primary Government					
	General	Highway	University	Special State	Bond Financed	Debt Service
FINANCIAL STATEMENT FUND TYPES	General			Special Revenue	Capital Projects	Debt Service
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources (budgetary basis)	\$ 146,683	\$ 127,488	\$ 82	\$ 609,981	\$ 145,488	\$ 5,144
Adjustments:						
To adjust revenues, related receivables and deferred revenue	(151,313)	328,544	(18)	(622,600)	21	20,022
To adjust expenditures/expenses and related liabilities	(240,294)	(32,906)	--	435,277	(25,555)	59,046
To adjust for lapse period expenditures which were not recorded as liabilities	164,703	(2,167)	--	44,656	649	--
Excess (deficiency) or revenues over (under) expenditures/expenses and other sources (uses) of financial resources into financial resources (GAAP basis) - budgetary classifications	(80,223)	420,959	64	467,314	120,603	84,212
Reclassifications & adjustments:						
To reclassify excess (deficiency) of revenues over (under) expenditures/expenses and other sources (uses) of financial resources into financial statements fund types	(9,435)	(420,959)	(64)	162,242	2,905	(558)
To record excess (deficiency) of revenues over (under) expenditures/expenses and other sources (uses) of financial resources for nonbudgeted funds and accounts	205	--	--	(1,616)	(907)	(24)
Excess (deficiency) of revenues over (under) expenditures/expenses and other sources (uses) of financial resources (GAAP basis)	<u>\$ (89,453)</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 627,940</u>	<u>\$ 122,601</u>	<u>\$ 83,630</u>

statements in conformity with generally accepted accounting principles, a reconciliation (amounts expressed in thousands) of resulting basis, perspective, entity and timing differences in the excess (deficiency) of revenues over

(under) expenditures/expenses and other sources (uses) of financial resources for the year ended June 30, 1999 is presented below:

Primary Government (Continued)					Component Units			
Federal Trust	Revolving	State Trust						
	Internal Service		Enterprise	Expendable Trust	Non-Expendable Trust	Governmental	Proprietary	University & College
\$ (42,575)	\$ (9,550)	\$ (15,267)						
(80,942)	23,666	(611,067)						
114,664	8,311	621,115						
(7,587)	(59)	(180)						
(16,440)	22,368	(5,399)						
16,440	128	5,399	\$ 5,200	\$ 209,347	\$ 65	\$ 29,463	\$ --	\$ (173)
--	576	--	9,048	158,166	2,898	1,647	50,185	275,689
\$ --	\$ 23,072	\$ --	\$ 14,248	\$ 367,513	\$ 2,963	\$ 31,110	\$ 50,185	\$ 275,516



### 3 RECLASSIFICATION/RESTATEMENT OF EQUITY BALANCES

In accordance with Governmental Accounting Standards Board (GASB) Statement 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, the State, due to its significant administrative and fiduciary responsibilities, has reported its deferred compensation plan as an expendable trust fund. The equity balance of the fund used to report the State's administrative activities, previously reported as an enterprise fund type, and the plan assets, previously reported as an agency fund type, have been reclassified to an expendable trust fund as a restatement of July 1, 1998 balances. As a

result of this reclassification of the enterprise fund to an expendable trust fund, the cash and cash equivalents at July 1, 1998 have been restated by \$(2,914).

In addition, fixed assets of the Toll Highway Authority were overstated in prior periods by \$111,352. Also, for financial reporting purposes at the reporting entity level, the Toll Highway Authority has changed its year-end from June 30 to December 31. The balances reported in these statements represent activity as of and for the six months ended December 31, 1998.

The July 1, 1998 equity balances (amounts expressed in thousands) have been reclassified/restated as follows:

	Primary Government Fund Types		Component Units Discretely Presented
	Expendable		Proprietary
	Trust	Enterprise	
Fund Balance/Retained Earnings			
July 1, 1998, as previously reported	\$ 2,184,012	\$ 166,156	\$ 1,710,150
Reclassifications:			
To reclassify funds determined to be Expendable Trust:			
Deferred Compensation	1,239,294	(2,709)	
Restatements:			
To adjust for overstatement of fixed assets			(111,352)
Fund Balance/Retained Earnings			
July 1, 1998, as reclassified/restated	\$ 3,423,306	\$ 163,447	\$ 1,598,798

### 4 DEPOSITS AND INVESTMENTS

The State Treasurer is the custodian of the State's cash, cash equivalents and investments for most funds maintained in the State Treasury. Funds maintained outside the State Treasury (locally held funds) have independent authority to manage their own cash and investments. As described later, the funds of the State's retirement systems are invested separately.

#### Investment Policy –

#### General

Statutes authorize public agencies, including the State of Illinois Primary Government and its Component Units, to engage in a wide variety of investment activities. These include bonds, notes, certificates of indebtedness, treasury bills or other securities guaranteed by the United States; interest-bearing savings accounts, certificates of deposit, or interest-bearing time deposits or any other investments that constitute direct obligations of any bank; short-term obligations of certain qualified United States corporations; short-term discount



obligations of the Federal National Mortgage Association; shares or other securities legally issued by certain state or federal savings and loan associations; insured dividend-bearing share accounts and certain other accounts of chartered credit unions; certain money market mutual funds; Public Treasurer's Pool; and repurchase agreements that meet certain instrument and transaction requirements. Statutes require that investments purchased must mature or be redeemable prior to the date they will be needed to pay expenditures.

The investments of the State's five retirement systems (classified as pension trust funds) are governed by the State Pension Code. Authorized investments consist of bonds, equities, real estate, venture capital and other activities that are consistent with the "prudent person" rule. The "prudent person" rule, as adopted by the Illinois General Assembly in 1982, states that fiduciaries must discharge their duties with the care, skill, prudence and diligence which a prudent person acting in a like capacity and familiar with such matters would use under conditions prevailing at the time.

In addition to statutory requirements, Primary Government agencies and Component Units have adopted their own supplemental investment practices which further regulate such activities.

### **Derivatives**

Certain State agencies, principally Teachers' Retirement System (TRS), Illinois State Board of Investments (ISBI) and State Universities Retirement System (SURS), invest in derivative securities. A derivative security is an investment whose payoff depends upon the value of other assets such as commodity prices, bond and stock prices or a market index. In general, a derivative is used to modify exposure to undesirable risks, to increase portfolio liquidity and flexibility or to enhance investment yields within the level of risk defined in the agency's investment guidelines.

Derivative transactions involve, to varying degrees, credit risk and market risk. Credit risk is the possibility that a loss may occur because a party to a transaction fails to perform according to

terms. In order to eliminate credit risk, all derivative securities of TRS, ISBI and SURS are done through a clearinghouse which guarantees delivery and accepts the risk of default by either party. Market risk is the possibility that a change in interest or currency rates will cause the value of a financial instrument to decrease or become more costly to settle. The market risk associated with derivatives, the prices of which are constantly fluctuating, is regulated by TRS, ISBI and SURS by imposing strict limits as to the types, amounts and degree of risk that investment managers may undertake. These limits are approved by governing bodies and senior management, and the risk positions of the investment managers are reviewed periodically to monitor compliance with limits.

TRS, ISBI and SURS invest in the following types of derivatives: foreign currency forward contracts, collateralized mortgage obligations (CMO's), financial futures and financial options.

Foreign currency forward contracts are used to hedge against the currency risk in agencies' foreign stock and fixed income security portfolios. Foreign currency forward contracts are an agreement to buy or sell a specific amount of a foreign currency at a specified delivery or maturity date for an agreed upon price. Fluctuations in the market value of foreign currency forward contracts are recognized as incurred rather than at the maturity or the settlement date of the contract. Foreign currency forward contracts represent an off-balance sheet obligation because there are no balance sheet assets or liabilities associated with those contracts.

Financial futures are agreements to buy or sell a specific amount of an asset at a specified delivery or on maturity date for an agreed-upon price. As the market value of the futures contract varies from the original contract price, a gain or loss is recognized and paid to the clearinghouse. Financial futures represent an off-balance sheet obligation because there are no balance sheet assets or liabilities associated with those contracts.

Financial options are agreements that give one



party the right, but not the obligation, to buy or sell a specific amount of an asset for a specified price, called the strike price, on or before a specified expiration date. As writers of financial options, TRS and SURS receive a premium at the outset of the agreement and bear the risk of an unfavorable change in the price of the financial instrument underlying the option. Premiums received are recorded as a liability when the financial option is written. Fluctuations in the fair value of financial options are recognized in the financial statements as incurred rather than at the time the options are exercised or when they expire. As a purchaser of financial options, SURS

pays a premium at the outset of the agreement and the counterparty bears the risk of an unfavorable change in the price of the financial instrument underlying the option. Premiums paid are recorded as an asset when the financial option is purchased and gains/losses are recognized when the options are exercised by the agency or they expire.

As of June 30, 1999, TRS fair value (expressed in thousands) of option contracts written was \$73. The fair value of option contracts written represents the amount to be paid to close all positions as of that date.

Type of Derivative Contract	Contractual Principal Outstanding* (expressed in thousands)		
	Teachers' Retirement System	Universities Retirement System	Illinois State Board of Investments
<b>Domestic Interest Rate Products</b>			
Fixed income futures purchased	\$ 1,337,973	\$ 289,200	
Fixed income futures sold		24,600	
Fixed income purchased put options		46,700	
Fixed income written put options	386,368		
Fixed income written call options	5,597	45,700	
<b>International Interest Rate Products</b>			
International fixed income futures purchased	73,680	758,000	
International fixed income purchased put options	49,390	30,000	
<b>Domestic Equity Products</b>			
S & P 500 index futures purchased	941,974		
<b>Foreign Currency Products</b>			
Forward foreign currency purchased		228,682	\$ 200,089
Forward foreign currency sold		223,804	199,647
* The contractual principal amounts listed above represent the fair market value of the underlying assets the derivative contracts control. Contractual principal values do not represent actual balance sheet values.			

The preceding table represents the derivative positions held by TRS, ISBI and SURS at June 30, 1999 in financial futures and financial options (expressed in thousands). Additional information concerning the derivative investments of TRS, ISBI and SURS can be obtained from their separately issued annual reports.

Contractual principal amounts are often used to

express the volume of these transactions but do not reflect the extent to which positions may offset one another. These amounts do not represent the much smaller amounts potentially subject to risk.

#### **Deposits –**

##### **Primary Government**

On June 30, 1999, the carrying amount of the



State's Primary Government cash deposits (amounts expressed in thousands) was \$2,568,193 and the bank balance was \$2,567,466. Of the bank balance, \$2,393,579 was covered by federal depository insurance or by collateral held by the State or the State's agent in the State's name, \$13,934 was covered by collateral held in the pledging bank's trust department or by its agent in the State's name, and \$159,953 was uninsured and uncollateralized.

#### Component Units

On June 30, 1999, the carrying amount of the State's Component Units' cash deposits (amounts expressed in thousands) was \$265,711, and the bank balance was \$291,924. Of the bank balance, \$234,655 was covered by federal depository insurance or by collateral held by the State or the State's agent in the State's name, \$51,542 was covered by collateral held in the pledging bank's trust department or by its agent in the State's name, and \$5,727 was uninsured and uncollateralized. At June 30, 1999, the State Treasurer held \$270,686 of the component unit agencies' bank balances. By statute, public monies deposited in financial institutions must either be collateralized; insured by an agency of the federal government; or not exceed 75% of the capital stock and surplus, 75% of the net worth, or 50% of the unimpaired capital and surplus of a financial institution.

#### Investments –

Investments (amounts expressed in thousands) are categorized below to give an indication of the level of custodial credit risk assumed by the State at June 30, 1999. Category 1 includes investments that are insured or registered or for which the securities are held by the State or its agent in the State's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty trust department or agent in the State's name. Category 3 includes uninsured and unregistered investments (whether or not held in the State's name) and securities held by any other party (State's agent, counterparty's trust department or agent) but not in the State's name. Of the amounts shown below in Category 3, 80% pertain to enterprise fund types and 20% pertain to pension fund types.

The master repurchase agreements utilized by the Treasurer require the broker or financial institution to maintain the fair value of collateral securities at 102% of the agreement. The carrying amount, including accrued interest, was approximately \$2,202,147 and the fair value of the collateral securities to be resold based on commitments under the repurchase agreements was approximately \$2,253,017 as of June 30, 1999.

Primary Government	Category			Carrying Amount	Fair Value
	1	2	3		
Repurchase agreements	\$ 4,254,902			\$ 4,254,902	\$ 4,254,902
U.S. Treasury and Agency obligations	8,246,274		\$ 101,346	8,347,620	8,348,054
Commercial paper	3,087,043	\$ 3,915		3,090,958	3,090,958
Corporate debt securities	8,204,089		15,437	8,219,526	8,219,526
Corporate equity securities	17,394,452		1,520	17,395,972	17,395,972
	<u>\$ 41,186,760</u>	<u>\$ 3,915</u>	<u>\$ 118,303</u>	41,308,978	41,309,412
Investment contracts				2,206,073	2,206,073
Tangible property				2,557,676	2,557,676
Investments in mutual funds				12,166,917	12,233,136
				<u>\$ 58,239,644</u>	<u>\$ 58,306,297</u>



Component Units	Category			Carrying Amount	Fair Value
	1	2	3		
Repurchase agreements	\$ 19,980	\$ 3,704		\$ 23,684	\$ 23,684
U.S. Treasury and Agency obligations	294,181	39,365	\$ 20,217	353,763	352,148
Commercial paper	28,872	12,984	13,878	55,734	55,781
Corporate debt securities	225,787	13,854	94	239,735	239,735
Corporate equity securities	155,869	7,101	2,766	165,736	165,894
	<u>\$ 724,689</u>	<u>\$ 77,008</u>	<u>\$ 36,955</u>	838,652	837,242
Investment contracts				785,981	793,525
Tangible property				36,500	36,500
Investments in mutual funds				915,381	915,396
				<u>\$ 2,576,514</u>	<u>\$ 2,582,663</u>

Of the amounts shown above in Category 3, the university funds constitute 45%, and special revenue constitute 55%.

#### **Reconciliation to Balance Sheet –**

The balance sheet account cash and cash equivalents contains certain short-term investments (included as investments above) to

reflect their liquidity. In addition, the disclosures related to deposits and investments above include certain items that the balance sheet shows as restricted assets or other assets. A reconciliation follows:

	Cash and Cash Equivalents	Investments
Amount Per Note:		
Primary Government Deposits/Investments	\$ 2,568,193	\$ 58,239,644
Component Units Deposits/Investments	265,711	2,576,514
Cash Equivalents	7,257,467	(7,257,467)
Restricted Assets	(96,297)	(129,259)
Amount Per Balance Sheet		
Total (Memorandum Only) Reporting Entity	<u>\$ 9,995,074</u>	<u>\$ 53,429,432</u>

#### **Securities Lending Transactions –**

The investment policies of certain State agencies, principally the retirement systems and certain universities, permit them to enter into securities lending transactions. In these transactions, the agency loans their securities to broker-dealers and other entities for collateral with a simultaneous agreement to return the collateral for the same securities in the future. The agencies' securities custodians are agents in lending the securities for collateral of at least 102% of the fair value of the securities. Collateral can consist of cash, cash equivalents, government securities, commercial paper or irrevocable letters of credit. Depending on their

nature, securities on loan at year-end are presented as classified or unclassified in the preceding schedule of custodial credit risk. Generally, at year end, agencies had no credit risk exposure to borrowers because the amounts they owed to the borrowers exceeded the amounts the borrowers owe the agencies and maturities on non-cash collateral received are longer than the lesser of the maturities of the securities lent or the term of the lending transactions. Policies regarding indemnification vary among agencies. Some agencies' contracts with custodians require them to indemnify the agency if the borrowers fail to return the securities (and if the collateral is inadequate to replace the securities lent) or the borrowers fail

to pay the agency for income distributing by the securities' issuers while the securities are out on loan. Other agencies have no provisions for indemnification.

Generally, securities loans can be terminated on demand by either the agency or the borrower, although the average term of the loans is 10 to 29 days. Cash collateral is invested in the lending agent's short-term investment pool, which at year-end has a weighted average maturity of 30 to 51 days. The relationship between the maturities of the investment pool

and the agency's loan is affected by the maturities of the securities loans made by other entities that use the agent's pool, which the agency cannot determine. The agencies cannot pledge or sell collateral securities received unless the borrower defaults.

As of June 30, 1999, agencies had outstanding loaned investment securities (amounts expressed in thousands) having a fair value of \$3,616,180 against which they had received collateral having a fair value of \$3,727,446.

## 5

### TAXES RECEIVABLE

Taxes receivable (amounts expressed in thousands) at June 30, 1999 consisted of the following:

	Fund Types			Total (Memorandum Only)
	General	Special Revenue	Trust and Agency	
Income taxes	\$ 630,177	\$ 73,293		\$ 703,470
Sales taxes	750,657	282,363	\$ 68,774	1,101,794
Motor fuel taxes		263,414	403	263,817
Public utility taxes	58,062	159,961		218,023
Unemployment compensation taxes			\$ 249,939	249,939
Other taxes	122,305	20,245	7,495	150,045
	<u>\$ 1,561,201</u>	<u>\$ 799,276</u>	<u>\$ 326,611</u>	<u>\$ 2,687,088</u>
Less: Allowance for uncollectible taxes	<u>779,611</u>	<u>401,109</u>		<u>1,180,720</u>
<b>Taxes Receivable, net</b>	<u><b>\$ 781,590</b></u>	<u><b>\$ 398,167</b></u>	<u><b>\$ 326,611</b></u>	<u><b>\$ 1,506,368</b></u>



# 6 DUE FROM/TO OTHER FUNDS AND COMPONENT UNITS

The following balances (amounts expressed in thousands) at June 30, 1999 represent due from/to balances among all funds and component units:

Fund Type/Fund	Due From			Due To		
	Other Funds	Component Units	Primary Government	Other Funds	Component Units	Primary Government
<b>Primary Government</b>						
General	\$ 291,183	\$ 21,217		\$ 509,626	\$ 93,246	
Special Revenue:						
State Construction Account	47,305					
Local Government Distributive	103,773			625		
Public Transportation	38,518					
Motor Fuel Tax	25,788			64,588		
Road	42,609	1,926		56,699	5,344	
Tourism Promotion	7,791			48	186	
RTA Occupation & Use Tax Replacement	4,640					
Special Purposes Trust	22,958	15		500		
Personal Property Tax Replacement				54,846		
State & Local Sales Tax Reform				37,116		
County & Mass Transit District				21,765		
Build Illinois	9,450					
Downstate Public Transportation				7,278		
State Gaming				32,107		
Rate Adjustment				5,983		
Social Security & Employment Services	8,909			4,386		
Unemployment Compensation	2,759			8,181		
USDA Women, Infants & Children	3,554			3,885		
Local Initiative	6,000				100	
Other	38,464	548		22,423	7,792	
	<u>362,518</u>	<u>2,489</u>		<u>320,430</u>	<u>13,422</u>	
Debt Service:	23			23	884	
Capital Projects:						
ESCO COP Capital Projects		6,728				
Other	200			1,920	596	
	<u>200</u>	<u>6,728</u>		<u>1,920</u>	<u>596</u>	
Enterprise:						
State Lottery	72,925			1,693		
Other	186			5,579		
	<u>73,111</u>			<u>7,272</u>		
Internal Service:						
Communications Revolving	27,112	502		1,858	1	
Statistical Service Revolving	20,814	11		464		
State Garage Revolving	4,847	3		70	1	
Health Insurance Reserve	96,108	2,759		364		
Working Capital Revolving	7,721			290		
Other	311	2		63		
	<u>156,913</u>	<u>3,277</u>		<u>3,109</u>	<u>2</u>	

Note 6 (continued)

Fund Type/Fund	Due From			Due To		
	Other Funds	Component Units	Primary Government	Other Funds	Component Units	Primary Government
Trust and Agency:						
Expendable Trust:	2,313	98		3,066	39	
Pension Trust:						
State Employees' Retirement System	15,600					
State Universities Retirement System	33	6,225				
Other	57			315		
	15,690	6,225		315		
Investment Trust:	9			22		
Agency:						
Public Assistance Recoveries Trust				40,244		
Group Insurance Premium Fund	5	115		5,344		
RTA Sales Tax Trust	21,765					
Secretary of State International Registration	4,051					
Social Services				27,525		
Other	735			9,620		
	26,556	115		82,733		
Total Trust and Agency	44,568	6,438		86,136	39	
Total (Memorandum Only)						
Primary Government	928,516	40,149		928,516	108,189	
Component Units						
Governmental	181		\$ 39	1,397		
Proprietary:						
Industrial Revolving Fund	3,852			1,399		
Other	1,267			2,457		\$ 22
	5,119			3,856		22
University and College:						
Northern Illinois University	3,825		4,918	3,825		
Southern Illinois University	5,150		7,691	5,000		2,700
University of Illinois	13,347		90,060	13,667		35,451
Other	1,172		5,295	1,049		1,976
	23,494		107,964	23,541		40,127
Total Component Unit	28,794		108,003	28,794		40,149
Total (Memorandum Only)						
Reporting Entity	\$ 957,310	\$ 40,149	\$ 108,003	\$ 957,310	\$ 108,189	\$ 40,149

The Illinois State Toll Highway Authority (THA), a component unit, has no amounts reported as due from or to the primary government or other component units at December 31, 1998.

At June 30, 1999, THA would report due from primary government of \$2,111 and due to primary government of \$1,925.



## 7 LOANS AND NOTES RECEIVABLE

Loans and notes receivable (amounts expressed in thousands) at June 30, 1999 consisted of the following:

	Fund Types				Total (Memorandum Only)	
	General	Special Revenue	Debt Service	Enterprise	Primary Government	Component Units
Mortgage loan program	\$ 25	\$ 120			\$ 145	\$ 1,643,630
Student loan program	19,339	1,813		\$ 1,086,351	1,107,503	113,167
Local government infrastructure		725,040			725,040	92,025
Business loan program	16,672	7,009			23,681	208
Port districts construction	15,468				15,468	
Other	2,154	34,227	\$ 25,500		61,881	1,812
	53,658	768,209	25,500	1,086,351	1,933,718	1,850,842
Less: Allowance for uncollectible accounts	33,631	3,900		2,525	40,056	40,548
<b>Loans and notes receivable, net</b>	<b>\$ 20,027</b>	<b>\$ 764,309</b>	<b>\$ 25,500</b>	<b>\$ 1,083,826</b>	<b>\$ 1,893,662</b>	<b>\$ 1,810,294</b>

In the accompanying financial statements, the General, special revenue and debt service fund types reflect loans and notes receivable of \$809.8 million. Fund balances in the amount of \$745.4 million have been reserved to indicate their long-term nature and that they are not available to meet current appropriation or expenditure needs.

A portion of the General fund type business loan programs (\$29.4 million) represents various funds' pooled resources that the State has invested in a pilot mortgage program since fiscal year 1983. The only remaining program is categorized as a hotel loan and is discussed below.

Effective January 12, 1987, two of the program's outstanding mortgage loans aggregating \$28.9 million were restructured. One of these loans with an original balance of \$15.5 million was restructured again effective January 1, 1990. The remaining loan totaling \$13.4 million in original value was restructured effective January 1, 1991. Through June 30, 1998, the Treasurer recorded a provision for the write-down of \$17.1 million for these two properties based on independent valuations. These two loans have been classified as nonperforming assets.

In 1995, the Treasurer authorized the trustee to sell the mortgage loans. However, the Attorney General opined that both his and the Governor's consent were required, which was not provided. Affiliates of the owners of the hotel loans filed a lawsuit against the trustee and the Treasurer seeking specific performance of the buy-sell agreement on the agreed-to terms. This lawsuit is still pending and the ultimate outcome of this proceeding is not presently determinable.

On October 31, 1997, the trustee filed suit against the Hotel ventures for making improper deductions in determining payments due, creating a default and making the loan balances due upon demand. At the time of the filing of the suit, the trustee presented letters of credit with a value of \$2.7 million, which serve as collateral for the loans of one of the properties, for collection. The ventures obtained a restraining order to prevent collection of the letters of credit.

On December 9, 1997, the Circuit Court dissolved the restraining order of one Hotel venture and denied the venture's motion to stop the trustee from calling the letter of credit. The court stayed the effectiveness of this order pending appeal. The Appellate Court subsequently reversed the Circuit Court's ruling.

The Treasurer and trustee have appealed this ruling which was denied by the Illinois Supreme Court. The matter is now before the trial court. The ultimate outcome of this proceeding is not presently determinable.

The lawsuit against the other venture has been stayed pending the resolution of certain related issues discussed above. Once the Illinois Supreme Court rules on the related issues, a decision will likely be made on whether to lift the stay or not. The outcome of this litigation is not presently determinable.

The write-down of the above Hotel loans is not considered forgiveness of the obligations and collection efforts will continue for the entire loan

balance including principal and interest.

On December 2, 1999, subsequent to the report date, the judge in the Circuit Court in Madison county granted the motions of the plaintiffs for a partial summary judgement of the 1995 lawsuit. The court found that the plaintiffs were ready, willing and able to perform the buy-sell agreements at the time originally set for closing in 1995. Since the buy-sell agreements limited the relief available under their terms to specific performance, the Court directed preparation of a final decree allowing plaintiffs' claim for this form of relief and providing the terms for consummating the sale. The Treasurer is considering her options, which include the possibility of appealing this decision.

## 8

**PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment (amounts expressed in thousands) at June 30, 1999 consisted of the following:

	General Fixed Assets Account Group	Fund Types				Total (Memo- randum Only) Primary Government	Component Units
		Enterprise	Internal Service	Non- Expendable Trust	Pension Trust		
Land and land improvements	\$ 640,841		\$ 335	\$ 104	\$ 1,963	\$ 643,243	\$ 2,954,354
Buildings and building improvements	3,245,469		17,113		13,910	3,276,492	3,295,243
Equipment	1,406,020	\$ 13,635	175,581		24,310	1,619,546	2,161,895
Construction in progress	55,646					55,646	716,235
	<u>5,347,976</u>	<u>13,635</u>	<u>193,029</u>	<u>104</u>	<u>40,183</u>	<u>5,594,927</u>	<u>9,127,727</u>
Less: Accumulated depreciation		9,595	151,489		17,391	178,475	1,501,443
	<u>\$ 5,347,976</u>	<u>\$ 4,040</u>	<u>\$ 41,540</u>	<u>\$ 104</u>	<u>\$ 22,792</u>	<u>\$ 5,416,452</u>	<u>\$ 7,626,284</u>



Changes in general fixed assets (amounts expressed in thousands) for the year ended June 30, 1999 are presented below:

	Balance July 1, 1998	Additions	Deletions/ Net Transfers	Balance June 30, 1999
Land and land improvements	\$ 607,073	\$ 8,291	\$ (25,477)	\$ 640,841
Buildings and building improvements	3,031,867	43,124	(170,478)	3,245,469
Equipment	1,366,380	146,782	107,142	1,406,020
Construction in progress	56,176	161,679	162,209	55,646
	<u>\$ 5,061,496</u>	<u>\$ 359,876</u>	<u>\$ 73,396</u>	<u>\$ 5,347,976</u>

Construction in progress (amounts expressed in thousands) for general fixed assets, and component units as of June 30, 1999 is composed of the following:

Project	Project Authorizations	Expended through June 30, 1999	Committed as of June 30, 1999	Available Authorization
<b>General Fixed Assets Account Group -</b>				
Lawrenceville Correctional Center	\$ 74,500	\$ 6,155	\$ 63,601	\$ 4,744
IYC Kewanee	42,750	3,655	34,082	5,013
DNR Office Building	30,600	2,902	24,039	3,659
Juvenile Correctional Facility	34,000	247	12	33,741
Joliet Minimum Security Prison	65,500	1,337	2,035	62,128
Savanna Maximum Security Prison	95,000	787	75,566	18,647
Alton Building Addition, MHC	11,924	175	475	11,274
Other	217,299	40,368	166,298	10,613
<b>Total</b>	<u>\$ 571,573</u>	<u>\$ 55,646</u>	<u>\$ 366,108</u>	<u>\$ 149,819</u>
<b>Component Units -</b>				
State Toll Highway Improvements	\$ 645,250	\$ 486,297	\$ 158,953	-
Faraday Hall Addition - NIU	26,840	26,699	25	116
Faraday Engineering Building - NIU	28,138	27,520	175	443
Altgeld Hall Renovation - NIU	19,150	31	906	18,213
Stevenson Towers Renovation - NIU	26,056	15,171	5,492	5,393
Ambulatory Care Facility - U of I	97,613	78,757	15,342	3,514
Parking Structure D-1 2nd Addition - U of I	12,515	12,515	-	-
Assembly Hall Addition & Remodeling - U of I	11,435	9,677	131	1,627
ACES Library - U of I	21,100	324	17,293	3,483
Engineering Hall Rehabilitation - U of I	14,625	1,490	7,576	5,559
Spurlock Museum - U of I	10,846	4,479	5,026	1,341
<b>Total</b>	<u>\$ 913,568</u>	<u>662,960</u>	<u>\$ 210,919</u>	<u>\$ 39,689</u>
Projects less than \$10,000		53,275		
<b>Total</b>		<u>\$ 716,235</u>		

## 9

**NOTES PAYABLE**

The State agencies listed below generally issue short-term notes, normally secured by specific revenue sources, to provide temporary

financing. Outstanding notes payable (amounts expressed in thousands) at June 30, 1999 were as follows:

<b>Fund Type/Agency</b>	<b>Amount Outstanding</b>	<b>Interest Rates</b>	<b>Annual Maturity To</b>
<b>Primary Government -</b>			
Enterprise:			
Illinois Student Assistance Commission	\$ 100,794	3.17% to 9%	Various
<b>Component Unit -</b>			
Governmental:			
Illinois Medical District Commission	\$ 2,969	6.25%	2019
Proprietary:			
Southwestern Illinois Development Authority	\$ 91	—	2008
Universities and Colleges:			
Northern Illinois University	1,408	5% to 7.5%	2002
Northeastern Illinois University	304	8.5%	2008
Southern Illinois University	2,890	3% to 4.2%	2009
University of Illinois	2,136	5.39% to 9%	2000
	<u>6,738</u>		
<b>Total Component Units</b>	<u>9,798</u>		
<b>Total (Memorandum Only) Reporting Entity</b>	<u>\$ 110,592</u>		

**Illinois Student Assistance Commission  
(ISAC) –**

The ISAC is authorized to issue Student Loan Revenue Notes. The notes and related interest are payable solely from the revenues and other resources of the ISAC. On June 30, 1999, the ISAC had \$101 million of notes outstanding due 2005, 2029, or upon demand. Assets acquired and revenues generated under the individual notes serve as collateral for their respective note issues.

**Illinois Medical District Commission  
(Commission) –**

The Commission's notes payable consist of a 20-year mortgage on the Chicago Technology Park Enterprise Center which was completed in

Fiscal Year 1999. The 20-year mortgage, \$2,969, has an interest rate of 6.25%, matures in 2019, and is secured by the related building and land.

**Southwestern Illinois Development Authority  
(SWIDA) –**

The SWIDA obtained a note payable from the Department of Commerce and Community Affairs in the amount of \$100 thousand in fiscal year 1997, the proceeds of which were used for start-up costs. This note is non-interest bearing and matures on July 1, 2008. As of June 30, 1999, there were notes payable outstanding of \$91 thousand.



*Universities and Colleges –*

Universities and colleges have issued notes payable aggregating \$6.7 million at June 30, 1999. The notes are generally secured through

revenues (i.e., lease payment agreements) derived from the operations of the projects constructed, although portions of the notes outstanding are unsecured.

## 10 RETIREMENT SYSTEMS

**Plan Descriptions.** The State of Illinois sponsors five public employee retirement systems ("PERS") that are included in the State's financial statements as pension trust funds. The General Assembly Retirement System ("GARS"), Judges' Retirement System ("JRS") and State Employees' Retirement System ("SERS"), are the administrators of single-employer defined benefit pension plans. The GARS, JRS and SERS are governed by articles 2, 18 and 14, respectively, of the Illinois Pension Code (40 ILCS 5/1, et. al.).

The Teachers' Retirement System ("TRS") is the administrator of a cost-sharing multiple-employer public employee defined benefit pension plan with "special funding situations." It provides coverage to teachers employed by public school districts in Illinois (excluding Chicago) even though most covered employees are not State employees. There are 894 local school districts, 134 special districts, and 32 other State agencies which contribute to the TRS plan. At June 30, 1999, the TRS had outstanding receivables of \$261 million for payroll deduction agreements with members for optional services, refund repayments and upgrade balances owed to the TRS. The State Universities Retirement System ("SURS") is the administrator of a cost-sharing multiple-employer public employee defined benefit pension plan and a defined contribution plan. They also have "special funding situations." The SURS provides coverage to faculty and staff of State universities, community colleges and related agencies, of which, some covered employees are not State employees. There are 12 universities, 39 community colleges, and 14 other State agencies which contribute to the SURS plan.

The State of Illinois is legally mandated to make contributions to the TRS and SURS. Because the State contributes most of the TRS and SURS employer contributions, the single employer provisions of GASB Statement 27 have been followed for reporting those systems in the statewide CAFR. The TRS and SURS are governed by articles 16 and 15, respectively, of the Illinois Pension Code.

Effective January 1, 1998, legislation established an alternative defined benefit program known as the Portable Benefit Option Plan within the SURS. This option is offered in addition to the existing traditional benefit option. All members who are eligible for the traditional benefit option are eligible for the portable option. New and existing members are provided a window period in which to make an irrevocable election. The portable option provides an enhanced refund at termination for those who leave SURS with at least five years of service. Offsetting this additional cost is the elimination of the survivor benefit package. This program is designed to be cost neutral in relation to the traditional option. Approximately 11,000 of the approximately 78,000 members have chosen this option.

Legislation, effective January 1, 1998, also required the SURS to offer a Self-Managed Plan. This is a defined contribution plan and is offered to employees of all SURS employers who elect to participate. The contribution rate is 8% of their gross earnings. It is a qualified money purchase plan under Section 401(a) of the Internal Revenue Code. The assets are maintained under trust administered by the SURS Board of Trustees in accordance with the Illinois Pension Code. 3,740 of the approximately 78,000 members have chosen this option. \$31.3 million of the \$11.8 billion total



assets relate to the Self-Managed Plan. Plan member contributions were \$6.7 million and employer contributions were \$6.4 million for the year ended June 30, 1999.

Each of the five State-sponsored retirement systems provide retirement, death and disability benefits to members and beneficiaries. Each plan also issues a publicly available financial report that includes financial statements and required supplementary information for that plan. Those reports may be obtained by writing or calling the plan as follows:

- General Assembly Retirement System and Judges' Retirement System, 2101 South Veterans Parkway, PO Box 19255, Springfield, Illinois, 62794-9255, (217)782-8500.
- State Employees' Retirement System, 2101 South Veterans Parkway, PO Box 19255, Springfield, Illinois, 62794-9255, (217)785-2340.
- Teachers' Retirement System, 2815 West Washington Street, PO Box 19253, Springfield, Illinois, 62794-9253, (217)753-0311.
- State Universities Retirement System, 1901 Fox Drive, Champaign, Illinois, 61820-7333, (217)378-8800.

***Funding Policy and Annual Pension Cost.***

Member contributions are based on fixed percentages set by statute ranging from 4% to 11.5%. The State's funding requirements have been established by statute (Public Act 88-593)

effective July 1, 1995 and provide for a systematic 50-year funding plan with an ultimate goal to achieve "90% funding" of the systems' liabilities. In addition, the funding plan provides for a 15-year phase-in period to allow the State to adapt to the increased financial commitment. Once the 15-year phase-in period is complete, the State's contribution will then remain at a level percentage of payroll for the next 35 years until the 90% funded level is achieved. As illustrated in Table I, the State met its funding requirement established by *statutory law* for the fiscal year ended June 30, 1999. Actual contributions varied slightly from contributions required by statute mainly because of differences between estimated and actual federal contributions.

The current statutory law includes a "continuing appropriation," which means that the State must automatically provide funding to the pension systems based on actuarial cost requirements and amortization of the unfunded liability without being subject to the General Assembly's appropriation process.

This statutory funding requirement differs significantly from the annual pension cost ("APC") because the statutory plan does not conform with the GASB Statement 27 accounting parameters. The State's APC for the current year and related information for each plan (dollar amounts expressed in thousands) are included in Table I.



TABLE I (dollar amounts in thousands)

	GARS	JRS	SERS	TRS	SURS
Actuarially required contribution ("ARC")	\$ 6,092	\$ 38,631	\$ 319,747	\$ 932,909	\$ 296,196
Plus: Interest on net pension obligation ("NP")	2,897	15,064	98,653	554,058	289,076
Adjustment to the ARC	(1,541)	(8,014)	(74,628)	(321,514)	(156,899)
Annual pension cost ("APC")	7,448	45,681	343,772	1,165,453	428,373
Employer contributions	3,700	18,689	315,525	603,603	237,873
Increase in NPO	3,748	26,992	28,247	561,850	190,500
NPO at June 30, 1998***	36,205	188,303	1,160,624	6,518,330	3,400,896
NPO at June 30, 1999	\$ 39,953	\$ 215,295	\$ 1,188,871	\$ 7,080,180	\$ 3,591,396
Required contribution amounts/rates:					
* Statutory required contribution - State	\$ 3,504	\$ 18,293	\$ 314,618	\$ 592,547	\$ 238,300
Members	11.5%	11%	4% - 9.5%	9%	8% - 9.5%
Actuarial valuation date	6/30/99	6/30/99	6/30/99	6/30/99	6/30/99
Actuarial cost method	Proj. Unit Credit	Proj. Unit Credit	Proj. Unit Credit	Proj. Unit Credit	Proj. Unit Credit
Amortization method	Level % of pay	Level % of pay	Level % of pay	Level % of pay	Level % of pay
Remaining amortization period	40 years, open	40 years, open	40 years, open	40 years, open	40 years, open
Asset valuation method	Fair value	Fair value	Fair value	Fair value	Fair value
Actuarial assumptions:					
Investment rate of return	8%	8%	8.5%	8.5%	8.5%
Projected salary increases	6.5%	6%	.5% - 4.7%	6% - 9.3% **	5.5%
Postretirement benefit increases	3%	3%	3%	3%	3%
Inflation rate	4%	4%	3.5%	4%	5%

\* Public Act 88-0593 provides for 50-year funding including 15-year phase-in of employer contributions as a percentage of active member payroll increasing until fiscal year 2010, and remaining at that level until fiscal year 2045 when the Systems' funded ratios will be 90%.

\*\* Composite, 7%

\*\*\* Prior year balance for SURS revised due to changes in actuarial calculations.

**Trend Information.** The annual pension cost, obligation at the end of the year are presented in the percentage of annual pension cost the following Table II: contributed for the year and the net pension

Table II (dollar amounts in thousands)

	GARS	JRS	SERS	TRS	SURS
<b>Annual Pension Cost ("APC")</b>					
6/30/97	\$ 6,044	\$ 31,672	\$ 241,891	\$ 1,103,974	\$ 543,502
6/30/98	\$ 6,545	\$ 35,188	\$ 239,048	\$ 1,184,289	\$ 415,303
6/30/99	\$ 7,448	\$ 45,681	\$ 343,772	\$ 1,165,453	\$ 428,373
<b>% of APC Contributed</b>					
6/30/97	46.11%	43.42%	65.39%	35.81%	33.49%
6/30/98	47.56%	44.59%	83.98%	40.33%	54.85%
6/30/99	49.68%	40.91%	91.78%	51.79%	55.53%
<b>Net Pension Obligation</b>					
6/30/97	\$ 32,773	\$ 168,807	\$ 1,122,318	\$ 5,811,726	\$ 3,213,690
6/30/98	\$ 36,205	\$ 188,303	\$ 1,160,624	\$ 6,518,330	\$ 3,400,896
6/30/99	\$ 39,953	\$ 215,295	\$ 1,188,871	\$ 7,080,180	\$ 3,591,396

The prior year amounts for JRS and SURS were revised due to a change in actuarial calculations.



**Postemployment Benefits.** In addition to providing pension benefits, the State Employees Group Insurance Act requires that the State pay the cost of basic noncontributory health and dental, and life insurance benefits to annuitants who are former State employees. This includes annuitants of all of the State's retirement systems, except the non-state employee members of TRS.

Effective January 1, 1996, legislation transferred the administration of the TRS health insurance program to the Illinois Department of Central Management Services ("CMS"). The legislation also established a funding mechanism consisting of a one-half of one percent contribution from active teachers and matching appropriations from the State to pay the subsidy portion of participating annuitants during fiscal year 1996 and thereafter. Persons enrolling in TRS managed care or residing in areas with no managed care receive a 75% premium subsidy. All others receive a 50% subsidy. At June 30, 1999 there were approximately 31,800 TRS annuitants enrolled in the health plan. Payments into this plan by the annuitants as well as the state subsidy were approximately \$55.7 million. The teachers health insurance program is accounted for in the Teachers Health Insurance

Security Fund, an enterprise fund. TRS is responsible for program enrollment and eligibility determination. CMS is responsible for providing information and consultation to plan participants.

Substantially all of the State's employees may become eligible for postemployment benefits if they eventually become an annuitant. Health and dental benefits include basic benefits for annuitants under the State's self-insurance plan and insurance contracts currently in force. Life insurance benefits are limited to \$5,000 per annuitant age 60 and older. For fiscal year 1999 the State did not segregate payments made to annuitants from those made to current employees for health and dental, and life insurance benefits. The total cost of all members, including postemployment health and dental, and life insurance benefits, is recognized as an expenditure in the accompanying financial statements as claims are reported and are financed on a pay-as-you-go basis. For fiscal year 1999 the cost of providing postemployment health and dental, and life insurance benefits for the approximately 68,000 annuitants was estimated to be \$205.3 million and \$1.4 million, respectively.

## **11 GENERAL OBLIGATIONS BONDS**

General obligation bonds have been authorized and issued primarily to provide funds for acquisition and construction of capital facilities for higher education, public and mental health, correction and conservation purposes and for maintenance and construction of highway and waterway facilities. Bonds also have been issued to provide assistance to municipalities for construction of sewage treatment facilities, port districts, aquarium facilities, local schools, mass transportation and aviation purposes, and to fund research and development of coal as an energy source. In addition, bonds have been authorized to refund any general obligation bonds outstanding.

The State Constitution provides that the State may issue general obligation bonds for specific purposes in such amounts as provided either by the General Assembly with a three-fifths vote of each house or by a majority of voters in a general election. The enabling acts pursuant to which the bonds are issued provide that all bonds issued thereunder shall be direct obligations of the State of Illinois and pledge the full faith and credit of the State. General obligation bonds are redeemed over a period not to exceed 30 years from available resources in the debt service funds. However, the State of Illinois has generally issued 25 year serial bonds with equal amounts of principal and interest maturing each year, except for capital appreciation and refunding bonds which mature in varying amounts. With the exception of anti-pollution bonds, Illinois offerings generally have



call option of the State. Calls can begin 10 years following the date of issuance, in whole or in part, in such order as the State shall determine and at a redemption price not to exceed 102% of par value.

General obligation bonds outstanding and bonds authorized but unissued (amounts expressed in thousands) at June 30, 1999 are as follows:

Purpose	Outstanding		Authorized but Unissued
	Interest Rates	Amount	
Capital development	3.50% to 7.90%	\$ 2,619,447	\$ 1,787,830
Transportation	3.50% to 7.90%	1,547,551	3,021,397
Anti-Pollution	3.50% to 12.0%	295,397	74,663
School construction	3.50% to 7.90%	257,516	1,962,456
Coal development	3.50% to 7.90%	43,917	96,214
Refunding	3.50% to 6.50%	1,362,616	566,806
		<u>\$ 6,126,444</u>	<u>\$ 7,509,366</u>

Changes in general obligation bonds during the year ended June 30, 1999 are summarized in Note 15. Future general obligation debt service

requirements (amounts expressed in thousands) at June 30, 1999 are as follows:

Year Ending June 30	Principal	Interest	Total
2000	\$ 498,625	\$ 215,741	\$ 714,366
2001	496,255	199,335	695,590
2002	478,435	184,197	662,632
2003	479,745	169,337	649,082
2004	467,695	155,081	622,776
Thereafter	4,662,890	1,165,579	5,828,469
	<u>\$ 7,083,645</u>	<u>\$ 2,089,270</u>	<u>\$ 9,172,915</u>
Less: Unaccreted appreciation	957,201		
	<u>\$ 6,126,444</u>		

On March 25, 1999, the State issued \$400 million in general obligation bonds. A portion thereof, \$169.3 million with an average interest rate of 4.7%, plus \$4.7 million of the \$5.3 million reoffering premium for the total bond issue, were used to advance refund \$161.8 million of certain callable maturities of previously issued general obligation bonds that had interest rates ranging from 5.875% to 6.625%. The principal of the refunded bonds will be redeemed on various dates through 2002 at redemption prices of 102%. The net proceeds of \$173.2 million (after payment of \$.8 million in underwriting fees and bond insurance premium) were used to purchase U.S. government securities which were deposited with an escrow agent to provide for all future debt service payments on the refunded bonds.

As a result, the refunded bonds are considered to be defeased and the liability for those bonds has been removed from the General Long-Term Obligations Account Group. At June 30, 1999, the outstanding balance of the defeased bonds is \$161.8 million.

The advance refunding transaction has reduced the State's aggregate debt service payments by \$9.8 million, resulting in an economic gain (the difference between the present values of the debt service payments on the old and new debt) of \$9.3 million over the life of the refunded bonds.

In prior years, the State defeased certain callable maturities of general obligation bonds by placing the proceeds of new bonds in an



irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the accompanying financial statements. At June 30, 1999, the outstanding balance of these defeased bonds is \$97.7 million. These bonds, bearing interest at rates ranging from 5.0% to 6.75%, are to be redeemed on various dates

through 2001 at redemption prices varying from 100% to 102%.

Subsequent to June 30, 1999, the State issued \$100 million of general obligation bonds. The bonds, issued on November 3, 1999, mature annually from 2003 through 2017 and bear interest at rates ranging from 4.75% to 6%.

## 12 SPECIAL OBLIGATION BONDS

Special obligation bonds have been authorized and issued to provide funds for the Build Illinois Program, the State's Metropolitan Civic Center Support Program, and to refund any bonds previously issued under these programs.

The Build Illinois Program was implemented to expand the State's efforts in economic development by providing financing in certain areas. These areas include construction, reconstruction, modernization, and extension of the State's infrastructure; development and improvement of educational, scientific, technical and vocational programs and facilities; expansion of health and human services in the State; protection, preservation, restoration, and conservation of the State's environmental and natural resources; and provision of incentives for the location and expansion of businesses in Illinois resulting in increased employment.

The State's Metropolitan Civic Center Support Act (Support Act) was amended on September 3, 1985, to allow the issuance of bonds to

refinance the State's Metropolitan Civic Center Support Program and to provide additional capital for new projects to be financed under the Support Act. The refinancing of the State's Metropolitan Civic Center Support Program is discussed further in Note 14. The Support Act was amended further on September 11, 1990, to allow the issuance of bonds for making construction and improvement grants by the Secretary of State, as State Librarian, to public libraries and library systems. Special obligation bonds are payable primarily from dedicated portions of the State's sales tax and the horse racing privilege tax and are redeemed over a period of not more than 30 years. Additionally, these bonds have call provisions providing for early redemption at the option of the State, beginning 10 years following the date of issuance, in whole or in part, in such order as the State shall determine and within any maturity by lot at varying premiums which decrease periodically.

Special obligation bonds outstanding and bonds authorized but unissued (amounts expressed in thousands) at June 30, 1999, are as follows:

Purpose	Outstanding		Authorized but Unissued
	Interest Rates	Amount	
Build Illinois:			
Public infrastructure	3.9% to 7.5%	\$ 534,662	\$ 645,584
Business development	5.6% to 7.5%	5,968	25,001
Education	3.9% to 7.5%	246,450	63,198
Environment	3.9% to 7.5%	7,397	70,665
Refunding	3.9% to 7.0%	865,340	Unlimited
		1,659,817	804,448
Civic Center:			
Civic centers	5.5% to 7.4%	58,942	135,424
Libraries	5.5% to 6.4%	6,780	3,220
Refunding	3.65% to 7.35%	102,125	Unlimited
		167,847	138,644
		\$ 1,827,664	\$ 943,092



Changes in special obligation bonds during the year ended June 30, 1999, are summarized in Note 15. Future special obligation debt service

requirements (amounts expressed in thousands) at June 30, 1999, are as follows:

Year Ending June 30	Principal	Interest	Total
2000	\$ 79,405	\$ 93,889	\$ 173,294
2001	80,645	91,036	171,681
2002	81,900	88,154	170,054
2003	83,250	85,169	168,419
2004	84,900	81,823	166,723
Thereafter	1,511,795	635,245	2,147,040
	<u>\$ 1,921,895</u>	<u>\$ 1,075,316</u>	<u>\$ 2,997,211</u>
Less: Unaccrued appreciation	94,231		
	<u>\$ 1,827,664</u>		

In prior years, the State defeased certain callable maturities of Build Illinois and Civic Center bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included

in the accompanying financial statements. At June 30, 1999, the outstanding balance of the defeased bonds is \$359.8 million. These bonds, with interest rates ranging from 5.6% to 7.6%, are to be redeemed on various dates through 2008 at redemption prices varying from 100% to 102%.

## 13 REVENUE BONDS

The State Constitution empowers certain State agencies and authorities to issue bonds that are not supported by the full faith and credit of the State. The bond indentures include a pledge from these agencies and authorities that income derived from acquired or constructed assets be used to retire the debt and service related interest. In addition, certain authorities have issued debt which is classified as "conduit" debt of the State.

Revenue bonds issued by individual agencies are supported by fees, rentals, tolls assessed to users and loan repayments. Issuing agencies of the primary government include the Illinois Student Assistance Commission (Student Loan Revenue Bonds) and the State Universities Retirement System of Illinois (State Universities Retirement System Special Revenue Bonds). Component units issuing agencies include the Illinois Housing Development Authority (Housing

Development, Multi-Family Housing, Residential Mortgage, Multi-Family Program, Homeowner Mortgage Revenue and Affordable Housing Program Trust Fund Bonds), Illinois State Toll Highway Authority (Construction Revenue Bonds), Illinois Rural Bond Bank (Bond Bank Revenue Bonds), and universities consisting of Chicago State University, Eastern Illinois University, Northeastern Illinois University, Western Illinois University, Illinois State University, Northern Illinois University, Southern Illinois University and University of Illinois (University Revenue Producing Facilities Construction Bonds). Bonds outstanding (amounts expressed in thousands) at June 30, 1999 (except for the Illinois State Toll Highway Authority which is as of December 31, 1998), net of unamortized discounts, are as follows:

Agency	Amount Outstanding	Interest Rates	Annual Maturity To
<b>Primary Government -</b>			
Enterprise:			
Illinois Student Assistance Commission	\$ 1,304,360	3.25% to 18.000%	2032
Trust:			
State Universities Retirement System	18,654	7.25% to 7.450%	2005
<b>Total (Memorandum Only) Primary Government</b>	<b>1,323,014</b>		
<b>Component Units -</b>			
Proprietary:			
Illinois Housing Development Authority	2,059,984	3.00% to 15.000%	2031
Illinois State Toll Highway Authority	894,565	3.50% to 6.30%	2017
Illinois Rural Bond Bank	88,585	3.45% to 7.300%	2029
	<u>3,043,134</u>		
Universities and Colleges:			
Chicago State University	25,650	3.45% to 5.50%	2023
Eastern Illinois University	47,215	3.90% to 5.625%	2018
Northeastern Illinois University	6,065	4.50% to 6.200%	2017
Western Illinois University	38,033	4.40% to 6.850%	2020
Illinois State University	59,477	4.40% to 7.350%	2016
Northern Illinois University	83,003	4.70% to 10.050%	2022
Southern Illinois University	125,078	4.24% to 6.750%	2029
University of Illinois	358,475	3.00% to 9.700%	2026
	<u>742,996</u>		
<b>Total Component Units</b>	<b>3,786,130</b>		
<b>Total (Memorandum Only) Reporting Entity</b>	<b>\$ 5,109,144</b>		

Changes in revenue bonds during the year ended June 30, 1999 are summarized in Note 15.

Revenue bond debt service requirements, principal and interest (amounts expressed in thousands) as of June 30, 1999 are as follows:

Year Ending June 30	Primary Government					
	Enterprise		Trust		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2000	\$ 44,767	\$ 69,557	\$ --	\$ --	\$ 44,767	\$ 69,557
2001	45,530	66,884	--	--	45,530	66,884
2002	33,935	64,346	5,825	--	39,760	64,346
2003	36,910	62,081	--	--	36,910	62,081
2004	73,110	59,941	10,000	--	83,110	59,941
Thereafter	1,076,575	848,771	10,000	--	1,086,575	848,771
	<u>1,310,827</u>	<u>\$ 1,171,580</u>	<u>25,825</u>	<u>\$ --</u>	<u>1,336,652</u>	<u>\$ 1,171,580</u>
Less:						
Unaccrued appreciation	147		7,171		7,318	
	<u>\$ 1,310,680</u>		<u>\$ 18,654</u>		<u>\$ 1,329,334</u>	



Year Ending June 30	Component Units					
	Proprietary		University and College		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2000	\$ 84,390	\$ 169,592	\$ 33,050	\$ 24,182	\$ 117,440	\$ 193,774
2001	82,015	173,419	37,450	23,217	119,465	196,636
2002	87,030	169,106	38,765	22,071	125,795	191,177
2003	91,150	164,482	40,150	21,191	131,300	185,673
2004	96,135	159,568	40,255	20,276	136,390	179,844
Thereafter	2,722,854	1,735,567	872,455	208,310	3,595,309	1,943,877
	3,163,574	<u>\$ 2,571,734</u>	1,062,125	<u>\$ 319,247</u>	4,225,699	<u>\$ 2,890,981</u>
Less:						
Unaccrued appreciation	81,852		315,558		397,410	
	<u>\$ 3,081,722</u>		<u>\$ 746,567</u>		<u>\$ 3,828,289</u>	

Total principal debt service requirements for the primary government includes bond discounts of \$6.3 million for enterprise funds. Component unit bond discounts and refundings include \$38.6 million for proprietary funds and \$3.6 million for university funds.

#### ***Illinois Student Assistance Commission (Commission) -***

The Commission issues student loan revenue bonds, the proceeds of which are used to purchase student loans from eligible lenders and to originate Stafford subsidized and nonsubsidized loans to Illinois residents. The bonds mature annually in varying amounts, bearing interest rates ranging from 3.25% to 18%.

Bonds outstanding exclusive of refunding issues may not exceed \$2,100 million (\$1,304.4 million was outstanding at June 30, 1999, net of \$6.3 million of unamortized discounts). All student loans purchased by the Commission and all loans financed from the proceeds of bonds issued, along with all revenues received from or on account of these bonds, are pledged as collateral for the bonds. Any losses are guaranteed as to principal and interest by the Commission's Guarantee Loan Program, which can be subrogated to the United States Department of Education.

The bond resolutions provide for early retirement for various bond issues at rates

ranging from 100% to 102.5% of par value, with premiums decreasing periodically until unmatured bonds can only be retired at par value. Pursuant to the bond resolutions, reserves for bond retirement and interest payments aggregated \$90.9 million at June 30, 1999.

Included in the \$1,304.4 million of outstanding revenue bonds are \$346.6 million of variable rate demand bonds, (Series B, Series C, Series D, Series 1996A and 1996B, Series 1997A, Series 1997B, Series 1998A and Series 1998B), the proceeds of which were used to purchase and originate student loans. The bonds mature at various dates, bearing interest rates as determined by the remarketing agent that would enable the bonds to be sold at a price equal to their principal amount, but not to exceed 18% per annum for the Series B and Series C bonds, 15% per annum for the Series D, Series 1996B, Series 1997B, and Series 1998B bonds, 12% per annum for the Series 1996A bonds, Series 1997A and Series 1998A bonds.

The bonds, if in a weekly or monthly mode, are subject to purchase on demand of the holder at a price equal to principal plus accrued interest on seven days' notice and delivery to the remarketing agent. The remarketing agent is authorized to sell the repurchased bonds at a price equal to their principal amount by adjusting the interest rate.

Irrevocable letters of credit have been issued by various credit facilities in order to permit the



Trustee to draw amounts to pay the tender price of the variable rate demand bonds tendered for payment under early redemption and demand provisions of the bond issues. Under these letters of credit, the various credit facilities, acting as tender agent, paying agent, and bond registrar for the respective bond issues are entitled to draw the amount needed (a) to pay interest on the bonds on each interest payment date; (b) to pay principal and interest on the bonds called for redemption; (c) to pay principal and interest on the bonds resulting from an acceleration of maturity due to an event of default; and (d) to pay the tender price of bonds tendered or required to be tendered for purchase which is not to be paid from remarketing proceeds or from certain funds held under the indenture. The letters of credit have variable interest rates ranging from the Federal funds rate plus .5% to 20% per annum and expire at various dates from December 1, 1999 through February 25, 2002. If the remarketing agent is unable to resell any bonds that are "put" within 180 days of the "put" date, the Commission is required to repay the amounts drawn on the letters of credit for the redemption of these bonds. Repayment of amounts drawn on the letters of credit will be made by the Commission from the trustee accounts.

The Commission is required to pay to the credit facilities an origination fee based on the line of credit amounts and thereafter, a quarterly commitment fee based on the available amount of the letters of credit. Quarterly commitment fees currently in effect range from .375% to .55% of the available amount of the letters of credit.

#### ***State Universities Retirement System (System) –***

The System issued revenue bonds to finance the design, acquisition, construction and equipping of a new permanent administrative office building. The bonds are capital appreciation bonds with interest rates ranging from 7.25% to 7.45%. These bonds are payable solely from and secured by a pledge of and first lien on the net revenues derived from investments of the System. They are not payable from any employer or employee contributions to the System. The

bond resolutions do not provide for early redemption prior to maturity. At June 30, 1999, bonds outstanding were \$18.7 million.

#### ***Illinois Housing Development Authority (IHDA) –***

The IHDA was created in 1967 to increase the production of low and moderate income housing in Illinois by providing mortgage loans. The IHDA is authorized to have bonds and notes outstanding in an aggregate principal amount not to exceed \$3,600 million exclusive of refunding issues. Bonds issued must mature within 50 years from the date of issue, bearing interest rates as determined by the IHDA. Subsequent to July 1, 1983, the maximum interest rate cannot exceed 11% or 70% of the prime rate, whichever is greater. All revenue bonds, issued to provide mortgage loans, are secured by first mortgage liens on the related developments.

At June 30, 1999 bonds outstanding aggregated \$2,076.9 million, before unamortized discounts of \$16.9 million. Sinking funds established pursuant to bond resolutions at year end aggregated \$128.9 million. The bonds mature annually through 2031, bearing interest rates from 3.0% to 15%. The bonds provide for early redemption at the option of the IHDA, in whole or in part, in inverse order of maturity at varying premiums which decrease periodically.

The bonds outstanding are general obligations of the IHDA with the exception of \$806.9 million of Homeowner Mortgage Revenue Bonds, \$100.8 million of Affordable Housing Program Trust Fund Bonds, \$18.3 million of Multi-Family Variable Rate Demand Bonds, \$29.9 million of Multi-Family Housing Bonds, 1995 Series A, and \$45.1 million of Multi-Family Program Bonds, Series 7 and 8, which are special limited obligations of the IHDA and are payable from pledged property as defined in their respective bond general resolutions. The IHDA has also pledged its general obligation to the payment of the Affordable Housing Program Trust Fund Bonds to a limited extent and amounts.



A portion of the general obligation bonds of the IHDA, outstanding in the amount of \$683.2 million, is a moral obligation of the State. In the event that the IHDA determines that funds will not be sufficient for the payment of principal and interest on these bonds, the Chairman of the IHDA shall certify to the Governor as soon as practicable the amount required by the IHDA to enable it to pay such principal and interest. The Governor shall include the amount so certified in the State budget; however, the General Assembly has no obligation to appropriate funds to IHDA.

Included within the IHDA's outstanding revenue bonds are \$18.3 million of Multi-Family Variable Rate Demand Bonds Series 1996A and \$14.2 million of Multi-Family Housing Revenue Bonds Series 1997 which are variable rate demand bonds. Interest rates on these bonds are determined weekly at a rate established by the remarketing agents on each rate determination date. The IHDA has agreements with liquidity providers to purchase any bonds tendered for purchase in accordance with the indentures with respect to which the Trustee does not, on the date any such tendered bonds are required to be purchased, have sufficient funds to make such purchase. Payment of the principal of and interest on the bonds when due are insured by a financial guarantee insurance policy. The IHDA has a general obligation to reimburse the insurer for any such payments made.

The IHDA has also issued special limited obligations with a claim for repayment solely from payments received with respect to the mortgage loans. The bonds are not general obligations of the IHDA or an obligation of the State. These bonds do, however, apply toward the IHDA's authorized debt limit. As of June 30, 1999, these bonds were outstanding in the amount of \$222.4 million.

Subsequent to June 30, 1999, the IHDA issued Homeowner Mortgage Revenue Bonds, 1999 Series D, 1999 Series E, 1999 Series F and 1999 Series G in the aggregate principal amount of \$113.7 million. The 1999 Series E and Series G bonds are subject to mandatory tender no later than July 27, 2000 and October 26, 2000 respectively. The 1999 Series D and Series F bonds bear interest rates ranging from 3.75% to 8.25%, and mature semiannually from 2000 through 2030.

#### *Illinois State Toll Highway Authority (THA) –*

The THA issued revenue bonds to finance construction of the State toll highway system and to refund in advance of maturity certain outstanding bonds of the Authority. The bond resolutions, with the exception of Series 1996A and Series 1998A, provide for early redemption at the option of the THA in whole or part. Of the outstanding bonds, this option has not been exercised and remains available for the Series 1993A bonds maturing on January 1, 2005 and the variable rate bonds, Series 1993B and Series 1998B. The Series 1993A bonds noted above are callable on or after January 1, 2003. All of the other outstanding bonds are redeemable at maturity. In accordance with the provisions of the bond resolutions, debt reserves on deposit with and invested by the Bond Trustee at December 31, 1998 (the THA's reporting year) aggregated \$147.1 million.

At December 31, 1998, THA had bonds outstanding in the amount of \$894.6 million. These bonds mature at various dates through 2017 and bear interest rates ranging from 3.5% to 6.3%.

Included within the THA's outstanding revenue bonds are variable rate demand bonds in the amount of \$178.2 million for the Series 1993B bonds and \$123.1 million for the Series 1998B bonds. These bonds mature in 2010 and 2017, respectively and bear interest rates as determined by the remarketing agents on each rate determination date not to exceed 22% and 25%, respectively. These bonds are subject to redemption if tendered by the holder at a price equal to the principal plus accrued interest upon notice and delivery to the remarketing agent. The THA has agreements with liquidity providers to purchase any bonds so tendered for purchase in accordance with the indentures with respect to which the Trustee does not, on the date any such tendered bonds are required to be purchased, have sufficient funds to make such purchase. The THA has obtained a financial guarantee insurance policy to guarantee the payment of principal and interest on the scheduled maturity dates. The THA has an obligation to reimburse the insurer for any such payments made.



To mitigate the effect of interest rate changes, the THA has entered into Interest Rate Swap Agreements for both the Series 1993B bonds and the Series 1998B bonds. These agreements effectively change the THA's interest rates to a synthetic fixed rate of 4.92% and 4.325%, respectively. The THA will be exposed to variable rates if a counter party to the swap agreement defaults or if the swap is terminated. However, the THA does not anticipate nonperformance. The amounts shown in the schedule of revenue bond debt service requirements are based on the fixed rate effects of this interest rate swap.

In addition, as of December 31, 1998, the THA has \$380.2 million of revenue bonds outstanding which have been advance refunded. U.S. Government securities have been deposited in an irrevocable trust with an escrow agent to satisfy all future debt service requirements of these bonds. As a result, these bonds are considered defeased and are not included in the accompanying financial statements.

#### ***Illinois Rural Bond Bank (Bank) –***

The Bank issues revenue bonds and notes whose proceeds are used for (1) the purchase of securities of local Illinois governmental units to include the establishing or increasing reserves in securing the payment of the bonds and/or interest on the bonds and (2) to pay, fund or refund any bonds issued by the Bank. The Bank is authorized to have bonds and notes outstanding in an aggregate original principal amount not to exceed \$200 million.

In the event that the Bank determines that funds will not be sufficient for the payment of the principal and interest on its bonds and notes, the Chairman of the Bank shall certify to the Governor, as soon as possible, the amount required by the Bank to enable it to pay such principal and interest. The Governor shall include the amount so certified in the State budget as soon as practically possible; however, the General Assembly has no obligation to appropriate funds for the Bank.

At June 30, 1999, bonds outstanding aggregated \$88.6 million. Sinking funds established pursuant to bond resolutions at year end aggregated \$7.1

million. The bonds mature annually through 2029, bearing interest at rates ranging from 3.45% to 7.3%. The bonds provide for early redemption at the option of the Bank in whole or in part. Bonds maturing on various dates between February 1, 2001 through February 1, 2010 are redeemable at 102% of par, with the premium decreasing periodically until February 1, 2009. Thereafter, the bonds are redeemable at par value.

Included within the \$88.6 million of outstanding revenue bonds are \$19.8 million of bonds which do not require the Governor to include in the State budget the amount necessary for payment of principal and interest. Payment of principal and interest on these bonds is guaranteed by a municipal bond insurance policy.

Subsequent to June 30, 1999, the Bank issued the Bond Bank Revenue Bonds Series 1999 and Series 1999B in the amount \$1.6 million and \$4.5 million, respectively. The bonds mature annually from 2000 through 2030 at interest rates ranging from 3.7% to 5.75%.

#### ***Universities –***

The Boards of Chicago State University, Eastern Illinois University, Northeastern Illinois University, Western Illinois University, Illinois State University, Northern Illinois University, Southern Illinois University, and the University of Illinois (hereinafter the "Boards"), as empowered by enabling acts, have issued various revenue bonds to support construction of student housing and other revenue producing facilities at State universities. These bonds do not constitute general obligations of either the State of Illinois or the Boards but, together with interest thereon, are payable solely from and are secured by, subject to the prior pledge and lien of existing refunded bonds, (i) the net revenues of the Boards; (ii) debt service grants; (iii) income received from certain special accounts; (iv) retained tuition fees (subject to prior payment of related operating and maintenance expenses); (v) certain debt service reserves; (vi) certain repair and replacement reserves; and (vii) the principal of the special accounts arising on refundings, all as defined in the various bond resolutions. In accordance with provisions of the bond resolutions, debt service funds and reserves



on deposit aggregated \$160.8 million at June 30, 1999. The bonds are callable prior to their maturity in accordance with the provisions of the bond resolutions, including premiums of up to 5%.

Subsequent to June 30, 1999, the Board of Trustees of Western Illinois University issued the Auxiliary Facilities System Revenue Bonds, Series 1999 in the amount of \$10.0 million. The Series 1999 bonds mature annually from 2001 through 2024 at interest rates ranging from 5.2% to 5.3%.

### ***Contingent Liabilities –***

#### ***Metropolitan Pier and Exposition Authority (McCormick Place) –***

In July 1998, the State amended the Metropolitan Pier and Exposition Authority Act (Act) to authorize the issuance of McCormick Place Expansion Project bonds in the aggregate original principal amount of \$1,037 million (excluding the amount of any refunding bonds and notes). The Act also authorizes the McCormick Place to levy certain taxes (MPEA Taxes) to secure the bonds and for certain other purposes. The MPEA Taxes would include (i) a sales tax within portions of the City of Chicago on food, alcoholic beverages, and soft drinks sold for consumption on the premises and on certain sales for immediate consumption off the premises, (ii) a tax at the rate of 2.5% of the gross rental receipts of hotels located within the City of Chicago, (iii) a 6% tax on gross receipts of the business of renting automobiles in Cook County, Illinois, (iv) a 6% use tax on automobiles rented outside Illinois which are titled or registered with an agency of the State for use in Cook County, Illinois, and (v) a tax on taxis and livery vehicles ranging from \$2 per taxi departure to \$27 per bus having a capacity of over 24 passengers. In addition, subject to appropriation, amounts of State sales tax ranging from \$71 million for fiscal year 1999 and graduating to \$106 million for fiscal year 2007 and thereafter (until 2029) would be available for the payment of debt service on the additional bonds to the extent that the MPEA Taxes are not sufficient for such purpose.

The McCormick Place issued revenue bonds Series 1992A, Series 1994B and Series 1998B in the aggregate principal amount of \$1,036.4 million to finance the McCormick Place expansion and certain other improvements to its facilities and Navy Pier. The McCormick Place also issued revenue refunding bonds Series 1994A, Series 1996A and Series 1998A in the aggregate principal amount of \$737.0 million to refund in advance of their maturity \$531.0 million of the Series 1992A bonds and \$45.3 million of the Series 1994 A&B bonds.

As of June 30, 1999, the outstanding bonds, which the State is contingently obligated to pay, are \$1,290.2 million. These bonds bear interest at rates ranging from 4.5% to 8.5% with the exception of certain bonds. The Series 1992A and Series 1994B bonds maturing in 2004 and the Series 1998B bonds maturing in 2009 bear interest at a rate of 50%. These bonds, in the aggregate principal amount of \$21.0 million, were sold at a premium with effective yields ranging from 4.7% to 5.9%. The McCormick Place bonds mature annually until 2029.

In addition, as of June 30, 1999, the McCormick Place has \$584.1 million of revenue bonds outstanding which have been advance refunded. U. S. Government securities have been deposited in an irrevocable trust with an escrow agent to satisfy all future debt service requirements of these bonds. As a result, these bonds are considered defeased and the State is no longer contingently liable for them.

Subsequent to June 30, 1999, the McCormick Place issued \$310.3 million of refunding bonds and \$133.4 million of expansion bonds. These bonds mature annually from 2010 through 2028 and bear interest at rates ranging from 5.25% to 7.16%.

#### ***Southwestern Illinois Development Authority (SWIDA) –***

The SWIDA, whose mission is to promote and enhance economic development in the counties of Madison and St. Clair, Illinois, has issued \$109.1 million of revenue bonds. The proceeds of these bonds were loaned to several compa-



nies for the acquisition of land and construction of various types of facilities. These companies are primarily liable for repayment of the bonds, which are secured by SWIDA loan agreements with the companies. These bonds bear interest at rates ranging from 3.4% to 9.25% and mature annually through 2021. The State has accepted a moral obligation to repay the bonds in the event the SWIDA and the companies are unable to meet the bonds' repayment commitments.

During the fiscal year, the SWIDA issued the Solid Waste Disposal Refunding Revenue Bonds, Series 1998A and Series 1998B, in the aggregate principal amount of \$3.7 million to refund, in advance of their maturity, the outstanding Waste Recovery bonds of 1994. The SWIDA also issued \$2.9 million of the Special Facility Refunding Bonds (Children's Center for Behavioral Development Project) Series 1998 to advance refund \$2.7 million of the Center's Series 1990 bonds. Both companies deposited proceeds from their bond issues, along with other available funds, into separate irrevocable trusts with an escrow agent to provide for their respective advance refundings. As a result, the refunded bonds are considered defeased and the State no longer has a moral obligation to repay the bonds.

As of June 30, 1999, the outstanding balance of bonds, which the State is morally obligated to repay, is \$75.3 million. The outstanding balance of the refunded bonds is \$7.9 million.

The SWIDA has also issued \$208.2 million of revenue bonds, the proceeds of which were loaned to several companies. Of this amount, \$81.0 million was issued this year and was loaned to Meridian Village, City of East St. Louis, Anderson Hospital, and Illinois - American Water. These bonds are special, limited obligations of the SWIDA and can only be repaid from payments by the above companies. Unlike the bonds in the preceding paragraph, the State has not accepted a moral obligation to repay the bonds in the event the SWIDA and the companies are unable to meet the bonds' repayment commitments. At June 30, 1999, the outstanding balance is \$182.1 million.

***Quad Cities Regional Economic Development Authority (Authority) -***

The Authority has issued \$27.2 million of revenue bonds, the proceeds of which were loaned to HDC, Inc. and to Thoms-Proestler Company to provide permanent financing for the acquisition and construction of various types of facilities. These companies are primarily liable for repayment of the bonds, which are secured by (i) mortgages and security agreements from HDC, Inc. and Thoms-Proestler Company to the Authority, (ii) a leasehold mortgage and security agreement from HDC, Inc. to the Authority, (iii) an assignment of leases, rents and revenues from HDC, Inc. to the Authority, and (iv) a guaranty by HDC, Inc. to the trustee. The bonds mature semiannually through 2017 and bear interest at rates of 8.7% and 9.75%. The State has accepted a moral obligation to repay the bonds in the event the Authority and the companies are unable to meet the bonds' repayment commitments. At June 30, 1999, the outstanding balance is \$15.6 million.

The Authority has also issued \$17.3 million of revenue bonds, the proceeds of which were loaned to several companies. Of this amount, \$5.5 million was issued this year and was loaned to Plastic Products Company, Inc., Steel Warehouse Quad Cities, Inc., and Seaberg Industries, Inc. These bonds are special, limited obligations of the authority and can only be repaid from payments by the companies. Unlike the bonds of the preceding paragraph, the State has not accepted a moral obligation to repay the bonds in the event the Authority and the companies are unable to meet the bonds' repayment commitments. At June 30, 1999, the outstanding balance is \$16.3 million.

***Upper Illinois River Valley Development Authority (UIRVDA) -***

The UIRVDA, whose mission is to promote and enhance economic development within the counties of Grundy, LaSalle, Bureau, Putnam, Kendall and Marshall, Illinois, has issued \$7.0 million of revenue bonds. The proceeds from these bonds were loaned to Waste Recovery - Illinois (the Company) to finance the acquisition, construction, equipment and installation of a tire recycling and tire-derived fuel processing facility and to refund in advance of their maturity certain bonds. The Series 1994 bonds, outstanding in the amount



of \$2.9 million, were refunded through the issuance of a like amount of the Solid Waste Refunding Revenue bonds, Series 1998, (Waste Recovery – Illinois Project). The Series 1994 bonds were refunded for the purpose of extending the maturity dates over an additional ten years and to effect a decrease in interest rates of .6%.

The Company is primarily liable for repayment of the bonds, which are secured by an assignment and a pledge of revenues derived from a separate loan agreement between the UIRVDA and the Company. These bonds mature annually through 2014 and bear interest at a rate of 5.9%. The State has accepted a moral obligation to repay the bonds in the event the UIRVDA and the Company are unable to meet the bonds' repayment commitments. At June 30, 1999, the outstanding balance is \$2.8 million.

The UIRVDA has also issued \$16.6 million of revenue bonds, the proceeds of which were loaned to Exolon-Esk Company and General Electric Company. These bonds are special, limited obligations of the UIRVDA and can only be repaid from payments by Exolon-Esk Company and General Electric Company. Unlike the bonds in the preceding paragraph, the State has not accepted a moral obligation to repay the bonds in the event the UIRVDA and the companies are unable to meet the bonds' repayment commitments. At June 30, 1999, the outstanding balance is \$16.6 million.

### ***Defeased Revenue Bonds –***

In September 1998, the Eastern Illinois University issued \$31.8 million in revenue bonds with interest rates ranging from 3.9% to 5% to advance refund \$11.4 million of the outstanding Series 1989 CAB bonds and \$7.9 million of the outstanding Series 1994 bonds with interest rates ranging from 5.4% to 7.1%. The net proceeds, together with \$2.9 million from the debt service reserve accounts were used to purchase U.S. government securities, which were deposited in an irrevocable trust with an escrow agent for future debt service payments on the refunded bonds. As a result, the refunded bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements.

The advance refunding decreased the total debt service requirements by \$.9 million and resulted in an economic gain or present value savings of \$1.0 million over the life of the refunded bonds. An accounting loss of \$3.4 million was recognized during fiscal year 1999 relative to the refunding transaction.

On December 23, 1998, the Chicago State University issued \$24.4 million of revenue bonds with interest rates ranging from 3.45% to 5.5% to advance refund \$22.6 million of revenue bonds with interest rates ranging from 5.15% to 6.15%. The net proceeds were used to purchase U.S. government securities, which were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds. As a result, the refunded bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements.

Although the advance refunding resulted in the recognition of an accounting loss of \$2.2 million, the Chicago State University reduced its aggregate debt service payments by \$.9 million and obtained an economic gain or present value savings of \$.8 million over the life of the refunded bonds.

Also, in December 1998, the Illinois State Toll Highway Authority issued \$325.1 of revenue bonds with interest rates ranging from 4.0% to 5.5% to advance refund \$313.1 million of revenue bonds with interest rates ranging from 5.75% to 6.45%. The net proceeds were used to purchase U.S. government securities which were deposited in an irrevocable trust which with interest thereon, will be sufficient to pay all future debt service requirements of the refunded bonds.

The refunding transaction resulted in the recognition of an accounting loss of approximately \$34.7 million based upon the required deposit to the irrevocable trust and the write off of related unamortized deferred bond issuance costs. The Authority also reduced its aggregate debt service payments by approximately \$39.7 million over the next 18 years and obtained an economic gain or present value savings of approximately \$26.9 million.



In addition on February 18, 1999, the Illinois Student Assistance Commission (ISAC) issued \$34.6 million of new bonds with interest rates ranging from 3.25% to 4.25% to currently refund a like amount of bonds maturing March 1, 1999. The refunding bonds are fixed rate bonds.

The current refunding resulted in no difference between the reacquisition price and the net carrying amount of the old debt. However, the current refunding increased the total debt service payments by \$6.5 million over the life of the new debt and resulted in an economic present value loss of \$5.6 million.

The State Toll Highway Authority, the Illinois Housing Development Authority, and State universities consisting of Chicago State University, Eastern Illinois University, Western Illinois University, Northern Illinois University, Illinois State University, Southern Illinois University, and the University of Illinois had previously defeased outstanding bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liability for the defeased bonds are not included in the financial statements. On June 30,

1999, \$718.7 million of bonds outstanding are considered defeased. These bonds have interest rates ranging from .05% to 10.4% with principal maturing until 2023.

**Conduit Debt (not included in financial statements) –**

The State of Illinois, by action of the General Assembly, created various authorities for the express purpose of providing private entities with an available low cost source of capital financing for construction of facilities deemed to be in the public interest. Fees are assessed to recover related processing and application costs incurred. Bonds issued by the authorities represent limited obligations payable solely from payments made by the borrowing entities. The majority of the bonds are secured by the property financed. Upon repayment of a bond, ownership of acquired property transfers to the entity served by the bond issuance. The State has no obligation for this debt. Accordingly, these bonds are not reflected in the accompanying financial statements. At June 30, 1999, recorded amounts of revenue bonds, net of defeased bonds and notes outstanding (amounts expressed in thousands) as reported by authority officials are as follows:

Authority	Amount Outstanding	Annual Maturity To
Illinois Health Facilities Authority	\$ 6,853,078	2033
Illinois Development Finance Authority		
Environmental facilities	\$ 1,426,638	2032
501(c)(3) not for profit	2,254,991	2036
Industrial development	1,046,929	2032
Infrastructure	816,653	2024
Housing	426,408	2037
Financially distressed city	18,900	2013
Leases and certificates of participation	49,299	2019
	6,039,818	
Illinois Educational Facilities Authority	1,912,414	2038
Illinois Housing Development Authority	222,385	2034
Southwestern Illinois Development Authority	182,148	2038
Illinois Farm Development Authority	85,701	2038
Quad Cities Regional Economic Development Authority	16,286	2018
Upper River Valley Development Authority	16,600	2023
	<u>\$ 15,328,430</u>	



# 14 OTHER LONG-TERM OBLIGATIONS

Other long-term obligations reported in the General Long-Term Obligations Account Group and disclosed below are as follows (in millions):

Description	Reference	Amount
Metropolitan Pier and Exposition Authority		
(McCormick Place) liability	(A)	\$ 314.1
Compensated absences	(B)	514.6
Regional Transportation Authority liability	(C)	475.9
Workers' compensation liability	(D)	55.0
Capital lease obligations	(E)	16.1
Illinois Sports Facilities Authority liability	(F)	28.8
Installment purchase obligations	(G)	24.7
Certificates of participation	(H)	124.9
Other obligations	(I)	1.8
<b>Total Other Long-Term Obligations</b>		<b>\$ 1,555.9</b>

## (A) Metropolitan Pier and Exposition Authority (Authority) Liability -

In July 1984, and November 1985, the State amended the "Metropolitan Fair and Exposition Authority Act" (Act) to authorize the issuance of \$265 and \$47.5 million, respectively, for a total authorization of \$312.5 million, in additional bonds. Bond proceeds were used (1) to pay construction costs of completing the McCormick Place expansion, (2) to pay the construction costs of projects authorized by the Illinois General Assembly in the future, and (3) to refund any outstanding bonds of the McCormick Place that were issued prior to July 1, 1984. The Act was further amended in July and August 1986 to authorize the issuance of refunding bonds either on a parity with or subordinated to the 1984 and 1985 bonds. In addition, in July 1989 the Act was amended to change the name to Metropolitan Pier and Exposition Authority and to expand its purposes to provide for the acquisition and improvement of the Navy Pier in Chicago.

The Illinois General Assembly also amended certain tax laws in July 1984 and November 1985 to provide for 1.75% of total State sales tax revenues, 3% of 94% of total hotel room rental receipts, and \$1.7 million per year out of 7% of State racing tax revenues to be deposited into the Build Illinois Fund, which replaced the

Tourism Fund, as collected. The legislation provides for credits to separate accounts within the Build Illinois Fund of which the "McCormick Place Account" is one and has first priority credit of the amounts collected.

In August 1984, the Metropolitan Fair and Exposition Authority issued \$252.5 million of bonds at interest rates ranging from 7% to 10.375% and maturing annually through 2014. Additionally, in December 1985, the Authority issued \$60.1 million in bonds at interest rates varying from 6% to 8.875% and maturing annually through 2015.

During 1986, the Authority issued 1986 and 1986A Series refunding bonds. The 1986 Series bonds, issued in the amount of \$324.2 million with interest rates ranging from 4.9% to 8% and maturing annually through 2014, were used to defease the remaining 1984 Series bonds. The 1986A Series bonds, issued in the amount of \$62.6 million with interest rates ranging from 3.75% to 7% and maturing annually through 2015, were used to defease certain callable maturities of 1985 Series bonds. In March 1992, the 1992 Series refunding bonds were issued in the amount of \$182.1 million, with interest rates ranging from 4% to 6.75% and maturing annually through 2010, to defease certain callable maturities of 1985 Series bonds and 1986 Series



bonds. In July 1995, the 1995 Series refunding bonds were issued in the amount of \$54.1 million, with interest rates ranging from 4.3% and 6.25% and maturing annually through 2011, to defease \$51.6 million of certain callable maturities of 1986 Series bonds and 1986A Series bonds. The proceeds of the 1986, 1986A, 1992 and 1995 Series bonds were placed in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the de-

feased bonds are not included in the financial statements. As of June 30, 1999, the outstanding balance of the defeased bonds was zero.

As of June 30, 1999, the balance of the bonds outstanding was \$314.1 million and is included as "Other Obligations" in the General Long-Term Obligations Account Group. Future McCormick Place debt service requirements (amounts expressed in thousands) at June 30, 1999 are as follows:

Year Ending June 30	Principal	Interest	Total
2000	\$ 12,995	\$ 18,586	\$ 31,581
2001	13,785	17,807	31,592
2002	14,645	16,985	31,630
2003	15,530	16,067	31,597
2004	16,545	15,080	31,625
Thereafter	240,615	81,925	322,540
	<u>\$ 314,115</u>	<u>\$ 166,450</u>	<u>\$ 480,565</u>

**(B) Compensated Absences -**

Most employees earn annual leave ranging from 1 to 2 days per month with maximum accumulation ranging from 20 to 50 days. At June 30, 1999, the liability for accrued annual leave was approximately \$264.6 million, including salary-related costs of \$16.3 million, for the governmental funds.

Until January 1, 1984, sick leave, which generally is earned one day per month with unlimited accumulation, was paid only when an employee was absent due to illness or other acceptable circumstances as outlined by personnel regulations. Effective January 1, 1984, upon death, retirement, resignation or termination from State employment, employees are able to receive payment for one-half of accumulated sick leave earned subsequent to January 1, 1984, or full service credit for such accumulated sick leave under the State Employees Article of the State Pension Code.

During fiscal year 1998, Public Act 90-65 was enacted, which eliminates compensation for sick leave accumulated on or after January 1, 1998. However, the unused sick leave may be used to

establish retirement system service credit as provided in the Illinois Pension Code.

At June 30, 1999, the liability for sick leave earned subsequent to January 1, 1984 was \$250.0 million, including \$14.9 million of salary-related costs. Thus, the State's liability for compensated absences reported in the General Long-Term Obligations Account Group amounted to \$514.6 million at June 30, 1999. As explained in Note 1-O, this amount does not include compensated absences liabilities for propriety, pension trust and university fund types and component units.

**(C) Regional Transportation Authority (Authority) Liability -**

The Authority was authorized by the Regional Transportation Authority Act to issue bonds in the principal amount of \$100 million on or after January 1, 1990 and increasing \$100 million per year until January 1, 1994, for a total authorization of \$500 million used for Strategic Capital Improvement Projects (SCIP). These projects were used to acquire, repair or replace public transportation facilities in the metropolitan region as approved by the Governor.



Since June 1992, the Authority has issued \$500 million of bonds with interest rates ranging from 3.75% to 9% and maturing annually through 2025.

The bonds are general obligations of the Authority to which the full faith and credit of the Authority is pledged. However, for State fiscal years in which the SCIP bonds are outstanding, the State's assistance shall be transferred monthly from the General Revenue Fund to the Public Transportation Fund for payment in an amount equal to the lesser of monthly debt service on the SCIP bonds, or one-twelfth of the amount of the State's assistance as provided in the authorization. The

authorization provided for \$40 million for 1996, \$50 million for 1997, and \$55 million for each year thereafter. Although the amount of the State's assistance is measured by the debt service on the SCIP bonds, the assistance is not pledged for payment of or security for the SCIP bonds. The State's assistance is paid directly to the Authority and may be spent by the Authority at its discretion. As of June 30, 1999, the outstanding balance included in the General Long-Term Obligations Account Group is \$475.9 million.

Future Regional Transportation Authority debt service requirements (amounts expressed in thousands) at June 30, 1999 are as follows:

Year Ending June 30	Principal	Interest	Total
2000	\$ 8,310	\$ 31,145	\$ 39,455
2001	8,770	30,690	39,460
2002	9,275	30,202	39,477
2003	9,815	29,677	39,492
2004	10,500	29,007	39,507
Thereafter	429,235	336,527	765,762
	<u>\$ 475,905</u>	<u>\$ 487,248</u>	<u>\$ 963,153</u>

**(D) Workers' Compensation Liability -**

The workers' compensation liability has been determined using claims outstanding and a projection of claims to be submitted, based upon prior years' experience of the State. Claims that will be liquidated with expendable available financial resources have been recorded as a liability in the General Fund, Road Fund and Mental Health Fund (special revenue funds), in the amounts of \$30.2, \$15.9 and \$19.0 million, respectively. The remaining portion of the liability, \$55.0 million as of June 30, 1999, is included in the General Long-Term Obligations Account Group. Of this liability, \$26.5, \$10.1 and \$18.4 million are expected to be paid from future resources of the General Fund, the Road Fund and the Mental Health Fund, respectively. In addition, a \$6.4 million workers' compensation liability has been included in the University fund type included in component units.

**(E) Lease Commitments -**

The State leases land, office facilities, office and computer equipment and other assets. Although lease terms vary, certain leases are renewable subject to appropriation by the General Assembly. If renewal is reasonably assured, leases requiring appropriation by the General Assembly are considered noncancelable leases for financial reporting purposes. At June 30, 1999, assets capitalized under capitalized leases included in property, plant and equipment (amounts expressed in thousands) are as follows:

	Primary Government		
	General Fixed Assets	Proprietary Fund Types	Component Units
Land and land improvements			\$ 500
Buildings and building improvements	\$ 4,032	\$ 1,808	2,455
Equipment	6,600	1,968	17,798
	10,632	3,776	20,753
Less: Accumulated depreciation		557	
	<u>\$ 10,632</u>	<u>\$ 3,219</u>	<u>\$ 20,753</u>

Future minimum commitments for noncancel- of June 30, 1999 are as follows:  
able leases (amounts expressed in thousands) as

Primary Government				
Year Ending June 30	Operating Leases	Capitalized Leases		Total
		General Long-Term Obligations	Proprietary Fund Types	
2000	\$ 86,072	\$ 4,059	\$ 697	\$ 90,828
2001	72,654	3,547	472	76,673
2002	57,033	2,893	272	60,198
2003	29,131	2,511	214	31,856
2004	11,579	2,162	210	13,951
Thereafter	8,338	6,550	210	15,098
Total minimum lease payments	<u>\$ 264,807</u>	21,722	2,075	<u>\$ 288,604</u>
Less amounts representing interest		5,636	236	
Present value of net minimum lease payments		<u>\$ 16,086</u>	<u>\$ 1,839</u>	

Component Units				
Year Ending June 30	Operating Leases	Capitalized Leases		Total
		University and College Funds	Proprietary Fund Types	
2000	\$ 8,354	\$ 9,415	\$ --	\$ 17,769
2001	4,854	8,079	--	12,933
2002	3,540	6,819	--	10,359
2003	2,173	6,614	--	8,787
2004	727	6,031	--	6,758
Thereafter	226	35,378	--	35,604
Total minimum lease payments	<u>\$ 19,874</u>	72,336	--	<u>\$ 92,210</u>
Less amounts representing interest		16,282	--	
Present value of net minimum lease payments		<u>\$ 56,054</u>	<u>\$ --</u>	



Rental payments (amounts expressed in thousands) for operating leases charged to operations during the year ended June 30, 1999 aggregated \$290,826 for the primary government and \$18,700 for component units.

**(F) Illinois Sports Facilities Authority (Authority) Liability -**

The Authority is authorized by the Illinois Sports Facilities Authority Act to issue bonds in the principal amount of \$150 million to be used for providing sports stadiums for professional sports teams. On March 1, 1989, \$150 million of bonds were issued with interest rates ranging from 6.8% to 7.875% and maturing annually through 2010.

During fiscal year 1999, Illinois Sports Facility Authority issued \$103.8 million of revenue bonds with interest rates ranging from 4.0% to 5.0% to currently refund \$111.4 million of revenue bonds with interest rates ranging from 7.45% to 7.875%. The refunding transaction has saved the Authority aggregate debt service payments of \$17.9 million

and will result in an economic gain or present value savings of \$12.3 million over the life of the refunded bonds.

The bonds are secured by payments from the Illinois Sports Facilities Fund that consist of annual payments of \$5 million from the State's Hotel Operator's Occupation Tax, \$8 million from the Authority's Hotel Tax and \$5 million from the City of Chicago's share of the Local Government Distributive Fund. The State's maximum liability is limited to \$13 million annually, but the State anticipates that \$8 million, derived from the Authority's Hotel Tax, will reduce this liability to \$5 million annually. In fiscal year 1999, receipts from the Authority's Hotel Tax totaled \$24.1 million. As of June 30, 1999, the State's share of the outstanding principal balance was \$28.8 million.

The State (and non-State) share of future Illinois Sports Facilities Authority debt service requirements (amounts expressed in thousands) at June 30, 1999 are as follows:

Year Ending June 30	State Share		Non-State Share		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2000	\$ 2,122	\$ 1,394	\$ 5,518	\$ 3,626	\$ 7,640	\$ 5,020
2001	2,174	1,257	5,651	3,269	7,825	4,526
2002	2,261	1,170	5,879	3,043	8,140	4,213
2003	2,351	1,080	6,114	2,807	8,465	3,887
2004	2,446	986	6,359	2,563	8,805	3,549
Thereafter	17,467	3,122	45,413	8,117	62,880	11,239
	<u>\$ 28,821</u>	<u>\$ 9,009</u>	<u>\$ 74,934</u>	<u>\$ 23,425</u>	<u>\$ 103,755</u>	<u>\$ 32,434</u>

**(G) Installment Purchase Obligations -**

The State has acquired certain land, office facilities, office and computer equipment, and other assets through installment purchase arrange-

ments. Future commitments under installment purchase contracts (amounts expressed in thousands) as of June 30, 1999 are as follows:



Year Ending June 30	Primary Government					Component Units		
	General Long-Term Obligations		Proprietary Fund Types		Total	University Funds		Total
	Principal	Interest	Principal	Interest		Principal	Interest	
2000	\$ 13,223	\$ 577	\$ 1,881	\$ 110	\$ 15,791	\$ 2,206	\$ 638	\$ 2,844
2001	9,008	399	1,114	51	10,572	1,346	539	1,885
2002	1,595	90	600	8	2,293	1,311	468	1,779
2003	751	43	--	--	794	896	405	1,301
2004	136	7	--	--	143	830	344	1,174
Thereafter	--	--	--	--	--	6,180	2,657	8,837
<b>Total future commitments</b>	<b>\$ 24,713</b>	<b>\$ 1,116</b>	<b>\$ 3,595</b>	<b>\$ 169</b>	<b>\$ 29,593</b>	<b>\$ 12,769</b>	<b>\$ 5,051</b>	<b>\$ 17,820</b>

#### (H) Certificates of Participation -

**State-issued Certificates of Participation.** The State is authorized to issue certificates of participation ("Certificates") representing the right to receive a proportionate share in lease-purchase or installment purchase payments to be made for the benefit of State agencies for the acquisition or improvement of real or personal property, refinancing of such property, payment of expenses of such property, or payment of expenses related to the issuance. During fiscal year 1996, the State, acting by and through the Bureau of the Budget, issued \$38.8 million of these certificates to provide for the construction and lease purchase of certain correctional facilities to be operated by the Department of Corrections at various sites within the State. The certificates have interest rates ranging from 4.15% to 6.375% and maturing annually through 2017. The outstanding balance of the certificates as of June 30, 1999 included in the General Long-Term Obligations Account Group is \$37.2 million.

The University of Illinois has also issued certificates of participation representing the right to receive a proportionate share of lease-purchase or installment payments. On August 1, 1990, the University of Illinois issued \$3.3 million of the certificates, with an interest rate of 7.25% and maturing in 2000, to finance the construction of a facility to house academic units in Area Studies and International Programs. On January 1, 1991, \$16.8 million of

the certificates were issued, at interest rates ranging from 5.9% to 6.4% and maturing annually through 1998, to finance the acquisition and installation of the construction of a building for an electrical and high temperature hot water cogeneration system. On April 1, 1995, \$29.9 million of the certificates were issued, at interest rates ranging from 4.1% to 5.4% and maturing semiannually through 2005, to finance the purchase of a firm supply of natural gas from Mid-Con Gas Services Corporation. On September 15, 1997, \$46.0 million of the certificates were issued, at interest rates ranging from 4% to 5.75% and maturing annually through 2009, to finance various utility system development projects.

Subsequent to June 30, 1999, the University of Illinois issued \$78.5 million of the certificates. The certificates, issued August 15, 1999, mature annually from 2001 through 2016 and bear interest at rates ranging from 4.1% to 5.5%.

Northern Illinois University (NIU) has also issued certificates of participation representing the right to receive a proportionate share of lease-purchase or installment payments. On October 1, 1992, NIU issued \$3.4 million of the certificates, with interest rates ranging from 3.75% to 6.8% and maturing annually through 1999, to finance the acquisition of telecommunication equipment. On August 15, 1993, \$8.5 million of the certificates were issued, at interest rates ranging from 2.95% to 5.3% and maturing annually through 2008, to re-



fund outstanding certificates issued for additional improvements to the Hoffman Estates Education Center. On June 1, 1997, \$3.1 million of the certificates were issued, at interest rates ranging from 4% to 4.875% and maturing annually through 2004, to finance the acquisition of data processing equipment.

The outstanding balance of the certificates as of June 30, 1999 is \$78.3 million and is included as "Other Obligations" in the component units.

**Non-State-issued Certificates of Participation.**

The State also finances the purchase of certain state-owned real and personal property through third party (non-State issued) certificates. These

non-State issued certificates are sold by private concerns and are repaid by State agency appropriations pursuant to installment purchase agreements. The outstanding balance of non-State issued certificates included in the General Long-Term Obligations Account Group as of June 30, 1999 is \$87.8 million. There are no outstanding non-State issued certificates in the component units as of June 30, 1999.

Future commitments by the State to make installment payments to pay for the assets acquired and related financing costs for State and non-State issued certificates (amounts expressed in thousands) at June 30, 1999 are as follows:

Year Ending June 30	Certificates of Participation					
	General Long-Term Obligations Account Group					
	State Issued		Non-State Issued		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2000	\$ 1,190	\$ 2,080	\$ 3,840	\$ 5,125	\$ 5,030	\$ 7,205
2001	1,240	2,023	4,075	4,916	5,315	6,939
2002	1,295	1,962	4,325	4,688	5,620	6,650
2003	1,360	1,896	4,570	4,442	5,930	6,338
2004	1,425	1,825	4,845	4,176	6,270	6,001
Thereafter	30,650	14,461	66,110	27,313	96,760	41,774
	<u>\$ 37,160</u>	<u>\$ 24,247</u>	<u>\$ 87,765</u>	<u>\$ 50,660</u>	<u>\$ 124,925</u>	<u>\$ 74,907</u>

Year Ending June 30	Certificates of Participation					
	Component Units					
	State Issued		Non-State Issued		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2000	\$ 7,545	\$ 3,988	--	--	\$ 7,545	\$ 3,988
2001	7,490	3,615	--	--	7,490	3,615
2002	7,115	3,258	--	--	7,115	3,258
2003	7,470	2,902	--	--	7,470	2,902
2004	7,855	2,506	--	--	7,855	2,506
Thereafter	40,835	7,985	--	--	40,835	7,985
	<u>\$ 78,310</u>	<u>\$ 24,254</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 78,310</u>	<u>\$ 24,254</u>

**(I) Other Obligations -**

The State's risk financing of auto liability, determined using an estimate of claims outstanding, approximates \$2.4 million as of June 30, 1999. Both the General Fund and the Road Fund have recorded liabilities of \$1.2 million that will be liquidated with expendable available resources.

As discussed in Note 1-B, the State has an outstanding amount due of \$1.8 million in interest to the Great Lakes Protection Fund.

**(J) Metropolitan Exposition Auditorium and Office Building Authorities -**

The General Assembly, through adoption of the



"Metropolitan Civic Center Support Act" (Support Act), created the Metropolitan Exposition Auditorium and Office Building Fund (Fund) into which 33.5% of all monies received by the State as horse racing taxes are deposited. At June 30, 1999, the balance of the Fund is \$31.8 million. The purpose of the Fund is to secure and retire a proportionate share of locally issued revenue bonds, the proceeds of which were used to construct local civic and exposition centers. The Support Act was amended in September 1985 to provide State financial support by issuing direct, limited obligation revenue bonds for the advanced refunding of any civic center bond issued before July 1, 1985 and for newly certified applicants after July 1, 1985. It was further amended to increase the limitation of the aggregate amount of principal issued and outstanding in State and local bonds subject to State financial support for all Authori-

ties from \$75 million to \$200 million. In addition, further restrictions exist as to the amount to be committed on behalf of any single taxing authority.

On December 15, 1985, the State defeased previous State supported guarantees by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the State supported guarantees. Accordingly, the trust account assets and the liability for the guarantees are not included in the State's financial statements. The bonds used to defease the State supported guarantees are further discussed in Note 12, Special Obligation Bonds.

At June 30, 1999, the unpaid principal on State supported guarantees (amounts expressed in thousands) are as follows:

Authority	Amount Defeased	Interest Rates	Annual Maturity To
DeKalb	\$ 2,125	10.85%	2003
Joliet	1,200	9.40%	2003
	<u>\$ 3,325</u>		

Beginning July 1, 1985, the following newly certified local governmental units have received

grants ranging from \$.4 to \$20 million through June 30, 1999:

Quad Cities	Bureau County	Aledo
Rosemont	Orland Park	Benton
Centre East	Knox County	Herrin
Quincy	River Forest	Rockford
Peoria	Aurora	Bowdre Township
Ogle County	Pekin	Mason County
Collinsville	LaSalle County	

**(K) Obligations to Lottery Prize Winners -**

The State has obligations to certain lottery prize winners for awards payable in annual installments ranging from nineteen years to the life of the prize winner, with the first payment being made after the claim is presented for payment. In addition, the State has fulfilled its obligations for certain other prize winners through the purchase of annuities under group contracts.

Prior to July 1985, the State purchased annuity contracts in the name of the prize winner through agreements with insurance companies which provide payments corresponding to the Lottery's obligation to the prize winner. The State would be contingently liable for such future payments if the insurance company defaulted on their payment obligation.



As the State has met its primary obligation for these future payments, the liability and corresponding value of the annuity contracts are not included in these financial statements. The present value of future installment payments owed to these prize winners approximates \$32.6 million at June 30, 1999.

Effective July 30, 1985, State law provides that the State Treasurer, with the consent of the Director of the Lottery, may contract to invest in securities which provide payments corresponding to the Lottery's obligation to these winners. For certain prize winners, annuities were purchased in the name of the State for which the State has retained the rights of ownership. The present value of these annuities and the related liabilities owed to prize winners, approximating \$77.9 million, have been reported in the financial statements of the State Lottery Fund, a pro-

prietary fund.

In addition to the prize obligations discussed above, the State has provided for other payments corresponding to the Lottery's obligation through the purchase of other securities, primarily in the form of United States Treasury zero coupon bonds. As established by State law, such investments shall be maintained in the Deferred Lottery Prize Winners Trust Fund, a special trust fund separate and apart from all public money or funds of the State. In accordance with the provisions of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, this fund is reported as an investment trust fund, with the investments reported at fair value approximating \$1.7 billion and the fund balance reported as reserved for external investment pool participants.

# 15 CHANGES IN LONG-TERM OBLIGATIONS

Changes in long-term obligations (amounts expressed in thousands) for the year ended June 30, 1999 are summarized as follows:

	Proprietary and Other		General Long-Term Obligations Account Group			
	Notes Payable (Note 9)	Revenue Bonds (Note 13)	Net Pension Obligation (Note 10)	General Obligation Bonds (Note 11)	Special Obligation Bonds (Note 12)	Other Long-Term Obligations (Note 14)
Balances at July 1, 1998, as originally reported	\$ 102,093	\$ 4,922,635	\$ 11,304,662	\$ 5,886,104	\$ 1,832,306	\$ 1,586,127
Adjustment to prior year balance for SURS due to changes in actuarial calculations			(304)			
<b>Balances at July 1, 1998</b>	<b>102,093</b>	<b>4,922,635</b>	<b>11,304,358</b>	<b>5,886,104</b>	<b>1,832,306</b>	<b>1,586,127</b>
<b>Primary Government:</b>						
Compensated absences earned						331,292
Increase in workers' compensation liability						1,578
Debt issues	65,500	203,996		772,334	60,000	
Increase in lease and installment purchase obligations						24,093
Compensated absences taken						(328,248)
Amortization of bond discounts and bond issuance costs		454				
Amortization of deferred amounts on bond refundings		339				
Increase in accreted value of capital appreciation bonds		1,681		113,144	10,778	
Principal retirements and terminations	(60,660)	(40,913)		(645,138)	(75,420)	(51,511)
Excess of annual pension cost ("APC") over employer contributions from governmental fund types			811,337			
Other						(7,405)
<b>Total Primary Government</b>	<b>4,840</b>	<b>165,557</b>	<b>811,337</b>	<b>240,340</b>	<b>(4,642)</b>	<b>(30,201)</b>
<b>Component Units:</b>						
Debt issues	4,473	637,619				
Amortization of bond discounts and bond issuance costs		(26)				
Amortization of deferred amounts on bond refundings		511				
Increase in accreted value of capital appreciation bonds		23,826				
Principal retirements and terminations	(814)	(640,978)				
<b>Total Component Units</b>	<b>3,659</b>	<b>20,952</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Balances at June 30, 1999</b>	<b>\$ 110,592</b>	<b>\$ 5,109,144</b>	<b>\$ 12,115,695</b>	<b>\$ 6,126,444</b>	<b>\$ 1,827,664</b>	<b>\$ 1,555,926</b>

\*The debt issues amount represents the gross issuance amount and not the net proceeds that are reported in the operating statements.



**16****FUND EQUITY**

tions not displayed separately on the combined balance sheet (amounts expressed in thousands) at June 30, 1999 consisted of the following:

A. Fund equity reservations and designa-

	Fund Types						Total (Memorandum Only) Primary Government	Component Units
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Expendable Trust		
Fund Equity:								
Retained Earnings:								
Reserved for:								
Revenue bond and note retirement					\$ 96,814		\$ 96,814	\$ 283,075
High risk insurance program and other					36,253		36,253	69,788
Total reserved retained earnings					<u>\$ 133,067</u>		<u>\$ 133,067</u>	<u>\$ 352,863</u>
Fund Balances:								
Reserved for other:								
Long-term portion of:								
Federal highway program receivable		\$ 453,850					\$ 453,850	
Intergovernmental receivable	\$ 367						367	\$ 4,500
Other receivables		4,349					4,349	
Loans and notes receivables	17,709	702,157	\$ 25,500				745,366	121,300
Encumbrances	410,657	1,570,740		\$ 626,363		\$ 2,465	2,610,225	29,636
Inventories	38,083	34,745					72,828	
Restricted fund balances							--	598,673
Endowment and similar funds							--	862,128
Unemployment compensation benefits						2,322,271	2,322,271	
Other	5,282	15,879				1,883	23,044	28,837
Total fund balances reserved for other	<u>\$ 472,098</u>	<u>\$ 2,781,720</u>	<u>\$ 25,500</u>	<u>\$ 626,363</u>		<u>\$ 2,326,619</u>	<u>\$ 6,232,300</u>	<u>\$ 1,645,074</u>
Unreserved:								
Designated for:								
Debt Service			\$ 802,816				\$ 802,826	
Deferred compensation benefits						\$ 1,442,026	1,442,026	
Other								\$ 26,880
Total unreserved, designated fund balances			<u>\$ 802,816</u>			<u>\$ 1,442,026</u>	<u>\$ 2,244,852</u>	<u>\$ 26,880</u>

As disclosed in Note 1-R, the above fund equity reservations are not available to finance current operations of State government at the balance sheet date or are legally restricted to a specific future use. In governmental funds, the reserves represent portions of asset accounts that are non-current.

Specifically, the \$453,850 Federal highway pro-

gram receivable is due from the Federal government and will be received upon the Federal government increasing their grant amount to exceed their apportionment authorization.

B. During the year, contributed capital increased pursuant to the following schedule (amounts expressed in thousands):

	Contributed Capital 7/1/98	Fixed Assets Additions Deletions		Contributed Capital 6/30/99
Primary Government -				
Internal Service:				
Central Management Services:				
Statistical Services Revolving Fund	\$ 8,157			\$ 8,157
Department of Corrections:				
Working Capital Revolving Fund	9,179	\$ 74		9,253
Other	1,837			1,837
Total Internal Service	19,173	74	--	19,247
Total (Memorandum Only)				
Primary Government	19,173	74	--	19,247
Component Unit -				
Development Finance Authority				
	18,508			18,508
Farm Development Authority				
	12,232			12,232
Other				
	2,790		6	2,784
Total Component Unit	33,530	--	6	33,524
Total (Memorandum Only)				
Reporting Entity	\$ 52,703	\$ 74	\$ 6	\$ 52,771

## 17 FUND DEFICITS

### Primary Government:

The State's General Fund, from which a significant portion of day to day operating expenditures are paid, has a GAAP deficit aggregating \$303 million at June 30, 1999, although the cash basis fund balance at that date was \$1,351 million. This deficit results from recognition of fund liabilities significantly in excess of accrued revenues.

The Drivers Education Fund of the State Board of Education (reported as a special revenue fund) has a deficit at June 30, 1999, aggregating \$11.8 million, resulting from reimbursement to school districts for drivers education program costs incurred in the current year but not paid until the subsequent year.

The Mental Health Fund of the Department of Human Services (reported as a special revenue fund) has a deficit at June 30, 1999, aggregating \$12.0 million, resulting from workers' compensation claims incurred in the current year, but not paid until the subsequent year.

The Local Government Health Insurance Reserve Fund (reported as an enterprise fund) has a deficit at June 30, 1999, aggregating \$1.3 million, resulting from a rate structure which was insufficient to support claims paid in fiscal year 1998 and fiscal year 1999. The rate structure was amended for both fiscal year 1999 and fiscal year 2000 to ensure payments received would support future claims and build an appropriate reserve.

The Federal Department of Agriculture Fund of the State Board of Education (reported as a special revenue fund) has a deficit at June 30, 1999, aggregating \$132 thousand, resulting from program costs incurred in the current year but not paid until the subsequent year.

The Prepaid Tuition Fund of the Illinois Student Assistance Commission (reported as an enterprise fund) has a deficit at June 30, 1999, aggregating \$709 thousand, resulting from program costs incurred since the inception of the program which will be paid in subsequent years.

The above Governmental Funds' deficits will be eliminated by future revenue increases and/or expenditure reductions in the following year(s).



# 18

## CONDENSED FINANCIAL STATEMENTS-DISCRETELY PRESENTED COMPONENT UNITS

Condensed financial statements (amounts expressed in thousands) for the State's discretely presented component units for the fiscal year ended June 30, 1999 are as follows:

### CONDENSED FINANCIAL STATEMENTS-DISCRETELY PRESENTED COMPONENT UNITS: BALANCE SHEETS

	Governmental				
	Illinois Distance Learning Foundation	Illinois Literacy Foundation	Illinois Grain Insurance Corporation	Illinois Conservation Foundation	East St. Louis Fin. Advisory Authority
<b>Assets:</b>					
Due from other funds					
Due from primary government			\$ 39		
Other current assets	\$ 48	\$ 40	4,013	\$ 88	\$ 4,769
Property, plant and equipment					
Other assets				1,663	
<b>Total assets</b>	<b>\$ 48</b>	<b>\$ 40</b>	<b>\$ 4,052</b>	<b>\$ 1,751</b>	<b>\$ 4,769</b>
<b>Liabilities:</b>					
Due to other funds					
Due to primary government					
Other current liabilities			\$ 165	\$ 43	
Bonds payable					
Other long-term liabilities					
<b>Total liabilities</b>	<b>--</b>	<b>--</b>	<b>165</b>	<b>43</b>	<b>--</b>
<b>Equity:</b>					
Contributed capital					
Investment in fixed assets					
Retained earnings					
Fund balance	\$ 48	\$ 40	3,887	1,708	\$ 4,769
<b>Total equity</b>	<b>48</b>	<b>40</b>	<b>3,887</b>	<b>1,708</b>	<b>4,769</b>
<b>Total liabilities and equity</b>	<b>\$ 48</b>	<b>\$ 40</b>	<b>\$ 4,052</b>	<b>\$ 1,751</b>	<b>\$ 4,769</b>

### CONDENSED FINANCIAL STATEMENTS-DISCRETELY PRESENTED COMPONENT UNITS: STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND EQUITY

	Governmental				
	Illinois Distance Learning Foundation	Illinois Literacy Foundation	Illinois Grain Insurance Corporation	Illinois Conservation Foundation	East St. Louis Fin. Advisory Authority
Revenues	\$ 3	\$ 6	\$ 700	\$ 2,639	\$ 492
Expenditures					
Current	4	6	172	1,772	266
Capital outlays					
Debt service					
Transfers in					
Transfers (out)					
Capital lease financing					
Other financing sources					
Excess (deficiency) of revenues over (under) expenditures	(1)	--	528	867	226
Equity-beginning	49	40	3,359	841	4,543
<b>Equity-ending</b>	<b>\$ 48</b>	<b>\$ 40</b>	<b>\$ 3,887</b>	<b>\$ 1,708</b>	<b>\$ 4,769</b>

CONDENSED FINANCIAL STATEMENTS-DISCRETELY PRESENTED COMPONENT UNITS:  
BALANCE SHEETS (continued)

Governmental (continued)				
East St. Louis Development Authority	Development Finance Authority	Housing Development Authority	Illinois Medical District Commission	Other
			\$ 181	
\$ 2	\$ 4,700	\$ 190,929	6,263	
			18,274	\$ 205
			1	
<u>\$ 2</u>	<u>\$ 4,700</u>	<u>\$ 190,929</u>	<u>\$ 24,719</u>	<u>\$ 205</u>
	\$ 1	\$ 1,265	\$ 131	
			6,084	
--	1	1,265	6,215	--
			18,274	\$ 205
\$ 2	4,699	189,664	230	
2	4,699	189,664	18,504	205
<u>\$ 2</u>	<u>\$ 4,700</u>	<u>\$ 190,929</u>	<u>\$ 24,719</u>	<u>\$ 205</u>

CONDENSED FINANCIAL STATEMENTS-DISCRETELY PRESENTED COMPONENT UNITS:  
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND EQUITY (continued)

Governmental (continued)				
East St. Louis Development Authority	Development Finance Authority	Housing Development Authority	Illinois Medical District Commission	Total
		\$ 51,915	\$ 1,377	\$ 57,132
		14,439	1,085	17,744
			3,111	3,111
			256	256
			166	166
		(8,013)	(154)	(8,167)
			57	57
			3,033	3,033
--	--	29,463	27	31,110
\$ 2	\$ 4,699	160,201	203	173,937
<u>\$ 2</u>	<u>\$ 4,699</u>	<u>\$ 189,664</u>	<u>\$ 230</u>	<u>\$ 205,047</u>



CONDENSED FINANCIAL STATEMENTS-DISCRETELY PRESENTED COMPONENT UNITS:  
BALANCE SHEETS (continued)

	Proprietary				
	Community Development Finance Corporation	Comprehensive Health Insurance Board	Farm Development Authority	Health Facilities Authority	Educational Facilities Authority
<b>Assets:</b>					
Due from other funds			\$ 2		
Due from primary government					
Other current assets	\$ 6	\$ 88,014	12,597	\$ 8,105	\$ 814
Property, plant and equipment		99	47	28	
Other assets			1,392	4	
<b>Total assets</b>	<b>\$ 6</b>	<b>\$ 88,113</b>	<b>\$ 14,038</b>	<b>\$ 8,137</b>	<b>\$ 814</b>
<b>Liabilities:</b>					
Due to other funds			\$ 2		
Due to primary government		\$ 7	1		
Other current liabilities		20,984	76	\$ 87	\$ 69
Bonds payable					
Other long-term liabilities					
<b>Total liabilities</b>	<b>--</b>	<b>20,991</b>	<b>79</b>	<b>87</b>	<b>69</b>
<b>Equity:</b>					
Contributed capital			12,232		
Investment in fixed assets					
Retained earnings	\$ 6	67,122	1,727	8,050	745
Fund balance					
<b>Total equity</b>	<b>6</b>	<b>67,122</b>	<b>13,959</b>	<b>8,050</b>	<b>745</b>
<b>Total liabilities and equity</b>	<b>\$ 6</b>	<b>\$ 88,113</b>	<b>\$ 14,038</b>	<b>\$ 8,137</b>	<b>\$ 814</b>

CONDENSED FINANCIAL STATEMENTS-DISCRETELY PRESENTED COMPONENT UNITS:  
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY (continued)

	Proprietary				
	Community Development Finance Corporation	Comprehensive Health Insurance Board	Farm Development Authority	Health Facilities Authority	Educational Facilities Authority
Operating revenues		\$ 25,046	\$ 1,090	\$ 1,306	\$ 373
Operating expenses:					
Depreciation		59	14	14	
Other		50,262	806	1,441	335
Operating income (loss)	--	(25,275)	270	(149)	38
Other non-operating revenue (expense)		11,318	152	293	36
Transfers-in (out)			658		
Transfers from (to) primary government		15,324			
Net income for the year	--	1,367	1,080	144	74
Equity-beginning, as restated	\$ 6	65,755	647	7,906	671
Contributed capital			12,232		
<b>Equity-ending</b>	<b>\$ 6</b>	<b>\$ 67,122</b>	<b>\$ 13,959</b>	<b>\$ 8,050</b>	<b>\$ 745</b>

CONDENSED FINANCIAL STATEMENTS-DISCRETELY PRESENTED COMPONENT UNITS:  
BALANCE SHEETS (continued)

Proprietary (continued)						
Development Finance Authority	Housing Development Authority	Rural Bond Bank	State Toll Highway Authority	Quad Cities Regional Economic Development	Southwestern Illinois Development Authority	Upper Valley Development Authority
\$ 3,852	\$ 1,265					
25,450	502,610	\$ 24,739	\$ 364,234	\$ 256	\$ 2,960	\$ 140
19	722	35	1,829,568		623	
10,856	2,001,904	100,279	145,780		3,051	
<u>\$ 40,177</u>	<u>\$ 2,506,501</u>	<u>\$ 125,053</u>	<u>\$ 2,339,582</u>	<u>\$ 256</u>	<u>\$ 6,634</u>	<u>\$ 140</u>
\$ 3,851	\$ 3					
		\$ 14				
2,437	214,054	7,466	\$ 126,594	\$ 2	\$ 3,074	
	2,059,984	88,585	894,565			
		25,000		89		
<u>6,288</u>	<u>2,274,041</u>	<u>121,065</u>	<u>1,021,159</u>	<u>91</u>	<u>3,074</u>	<u>--</u>
18,508		2,784				
15,381	232,460	1,204	1,318,423	165	3,560	\$ 140
<u>33,889</u>	<u>232,460</u>	<u>3,988</u>	<u>1,318,423</u>	<u>165</u>	<u>3,560</u>	<u>140</u>
<u>\$ 40,177</u>	<u>\$ 2,506,501</u>	<u>\$ 125,053</u>	<u>\$ 2,339,582</u>	<u>\$ 256</u>	<u>\$ 6,634</u>	<u>\$ 140</u>

CONDENSED STATEMENTS-DISCRETELY PRESENTED COMPONENT UNITS:  
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND EQUITY (continued)

Proprietary (continued)							
Development Finance Authority	Housing Development Authority	Rural Bond Bank	State Toll Highway Authority	Quad Cities Regional Economic Development	Southwestern Illinois Development Authority	Upper Valley Development Authority	Total
\$ 2,880	\$ 269,691	\$ 7,136	\$ 173,220	\$ 39	\$ 1,219	\$ 70	\$ 482,070
40	358	8	59,133		18		59,644
2,969	161,769	7,439	66,615	154	358	64	292,212
(129)	107,564	(311)	47,472	(115)	843	6	130,214
838	(99,288)		(17,745)	11	107		(104,278)
	8,013						8,671
		254					15,578
709	16,289	(57)	29,727	(104)	950	6	50,185
14,672	216,171	1,261	1,288,696	269	2,610	134	1,598,798
18,508		2,784					33,524
<u>\$ 33,889</u>	<u>\$ 232,460</u>	<u>\$ 3,988</u>	<u>\$ 1,318,423</u>	<u>\$ 165</u>	<u>\$ 3,560</u>	<u>\$ 140</u>	<u>\$ 1,682,507</u>



CONDENSED FINANCIAL STATEMENTS-DISCRETELY PRESENTED COMPONENT UNITS:  
BALANCE SHEETS (continued)

	University				
	Chicago State University	Eastern Illinois University	Governor's State University	Northeastern State University	Western Illinois University
<b>Assets:</b>					
Due from other funds	\$ 1,085			\$ 87	
Due from primary government	484	\$ 243	\$ 1,041	681	\$ 314
Other current assets	13,341	90,955	16,810	21,256	57,703
Property, plant and equipment	112,033	186,522	75,053	126,764	250,723
Other assets		769	1,157	3	
<b>Total assets</b>	<b>\$ 126,943</b>	<b>\$ 278,489</b>	<b>\$ 94,061</b>	<b>\$ 148,791</b>	<b>\$ 308,740</b>
<b>Liabilities:</b>					
Due to other funds	\$ 883	\$ 2		\$ 87	
Due to primary government	964	117	\$ 313	53	\$ 529
Other current liabilities	16,314	40,129	17,209	20,586	35,178
Bonds payable	25,650	47,215		6,065	38,033
Other long-term liabilities	2,490	10,418	580	2,562	157
<b>Total liabilities</b>	<b>46,301</b>	<b>97,881</b>	<b>18,102</b>	<b>29,353</b>	<b>73,897</b>
<b>Equity:</b>					
Contributed capital					
Investment in fixed assets	85,170	136,266	74,473	121,688	212,377
Retained earnings					
Fund balance	(4,528)	44,342	1,486	(2,250)	22,466
<b>Total equity</b>	<b>80,642</b>	<b>180,608</b>	<b>75,959</b>	<b>119,438</b>	<b>234,843</b>
<b>Total liabilities and equity</b>	<b>\$ 126,943</b>	<b>\$ 278,489</b>	<b>\$ 94,061</b>	<b>\$ 148,791</b>	<b>\$ 308,740</b>

CONDENSED FINANCIAL STATEMENTS-DISCRETELY PRESENTED COMPONENT UNITS:  
BALANCE SHEETS (continued)

University (continued)				
Illinois State University	Northern Illinois University	Southern Illinois University	University of Illinois	Total
	\$ 3,825	\$ 5,150	\$ 13,347	\$ 28,794
\$ 2,532	4,918	7,691	90,060	108,003
116,036	122,200	278,760	1,570,433	3,528,271
415,424	472,866	781,267	3,356,012	7,626,284
321	1,945	1,063	19,359	2,289,547
<u>\$ 534,313</u>	<u>\$ 605,754</u>	<u>\$ 1,073,931</u>	<u>\$ 5,049,211</u>	<u>\$ 13,580,899</u>
\$ 77	\$ 3,825	\$ 5,000	\$ 13,667	\$ 28,794
		2,700	35,451	40,149
38,267	56,740	120,461	421,878	1,147,897
59,477	83,003	125,078	358,475	3,786,130
264	33,457		137,295	212,312
<u>98,085</u>	<u>177,025</u>	<u>253,239</u>	<u>966,766</u>	<u>5,215,282</u>
				33,524
369,327	356,844	678,166	2,954,195	5,006,985
				1,648,983
66,901	71,885	142,526	1,128,250	1,676,125
<u>436,228</u>	<u>428,729</u>	<u>820,692</u>	<u>4,082,445</u>	<u>8,365,617</u>
<u>\$ 534,313</u>	<u>\$ 605,754</u>	<u>\$ 1,073,931</u>	<u>\$ 5,049,211</u>	<u>\$ 13,580,899</u>



# 19

## SEGMENT INFORMATION - ENTERPRISE FUNDS

Selected financial information by enterprise fund segment (amounts expressed in thousands) is as follows:

Primary Government	Department of Lottery	Student Assistance Commission	Other	Total
	State Lottery			
	(1)	(2)	(3)	
Operating revenues	\$ 1,501,148	\$ 96,142	\$ 286,194	\$ 1,883,484
Depreciation	696	111	871	1,678
Operating income (loss)	524,811	9,258	(1,043)	533,026
Operating transfer-out	518,551	644	1,721	520,916
Nonoperating revenues	77	23	4,077	4,177
Nonoperating expenses	--	21	2,018	2,039
Net income (loss)	6,337	8,616	(705)	14,248
Property, Plant and Equipment:				
Additions	457	188	1,143	1,788
Deletions	294	--	639	933
Net working capital	35,102	(133,240)	42,918	(55,220)
Total assets	168,255	1,556,567	112,792	1,837,614
Bonds and other long-term liabilities payable from:				
Operating revenues	--	901,950	14,243	916,193
Other revenues	60,422	64,448	19	124,889
Total equity	36,253	90,171	51,271	177,695

The above referenced organizations and activities generate enterprise fund revenues as follows:

- (1) Illinois State Lottery revenues and operations.
- (2) Administration of State-authorized financial aid programs for post-secondary students in Illinois.
- (3) Service and processing fees charged by the following board, departments, and commissions for their operations:

### Departments

- Central Management Services
- Corrections
- Human Services
- Insurance
- Veterans' Affairs

### Commissions

- Attorney Registration & Disciplinary Commission
- Office of Banks and Real Estate
- Illinois Industrial Commission

### Board

- Board of Admissions to the Bar

**20****RISK MANAGEMENT**

The State has elected to retain the following liability exposures: worker's compensation, vehicle, employee fidelity and surety, legal representation and employee indemnification, general liability and other tort liability. The State purchases minimal commercial insurance. The insurance in force on State-owned assets is limited except for certain university facilities. Further, the State makes no provision for anticipated losses in the event of involuntary conversions. Liabilities for claims, including claims incurred but not reported, are recorded in the funds or the General Long-Term Obligations

Account Group as appropriate. Claims liabilities are carried at present value discounted at 4.87% , which is the average interest rate for fiscal year 1999 general obligation debt issues. The amounts are based on actual claims that are outstanding, historical trend data and known inflation and cost of living factors. There were no significant reductions in insurance coverage from the prior fiscal year. The amount of settlements has not exceeded insurance coverage in the past three fiscal years. The following is a reconciliation of the State's claims liabilities for its major claims categories for the current fiscal year and prior year (amounts expressed in thousands):

Year Ended June 30	Changes in Claims Liability Balances			
	Beginning Balance	Claims Incurred	Decreases	Ending Balance
1998	\$ 62,490	\$ 62,569	\$ 66,164	\$ 58,895
1999	\$ 58,895	\$ 61,191	\$ 59,438	\$ 60,648

The State administers the following two public entity risk pools for non-state employers: 1) The Local Government Health Insurance Reserve Fund offers a health insurance program to local governments for its employees and retirees, and 2) the Teacher Health Insurance Security Fund offers health insurance to school districts for its teachers and retirees. These funds are presented

as enterprise funds in the State's CAFR. Detailed information on these programs can be obtained from the Department of Central Management Services, which administers both plans. Separate audit reports are issued for both plans and includes the required pool supplementary disclosures.

**21****DEFERRED  
COMPENSATION**

The State offers its employees a deferred compensation plan (the Plan) created in accordance with Internal Revenue Code Section 457. The Plan, which is administered by the Department of Central Management Services, permits participants to defer a portion of their salary until future years. Amounts deferred under the Plan are not available to employees until termination, retirement, death, or an unforeseeable emergency.

Under the current Internal Revenue Service

regulations, all monies that are deferred and any other assets or income of the Plan shall be held in one or more custodial accounts for the exclusive benefit of their participating employees and their beneficiaries. The State no longer owns the amounts deferred by employees or related income on those amounts.

The State has implemented GASB Statement 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457, Deferred Compensation Plans*, for the fiscal year ended June 30, 1999. The State has determined that it does have significant administrative involvement and fiduciary accountability for the Plan and, as such, is required under GASB Statement 32 to report the Plan as an expendable



trust fund. The Deferred Compensation Plan Fund, which was previously reported as an

agency fund, is being reported as an expendable trust fund in the financial statements.

## 22

### CONTINGENCIES

In October 1997, a state Supreme Court decision held that the Illinois Privilege Tax (215 ILCS 5/409), as in effect prior to 1998, was unconstitutional under the Illinois Constitution's Uniformity Clause. On remand the trial court is to determine whether Plaintiffs should get all protested privilege tax payments now on deposit or, as asserted by the State, any recovery should be offset by an amount representing an increased liability for the Plaintiffs under the Illinois Retaliatory Tax Statute (215 ILCS 5/444 and 5/444.1). In June the Trial Court decided this issue in favor of the Plaintiff protesters and the matter is now pending on Motion for Reconsideration. The case was remanded to the Trial Court and in June 1999, the Court ruled in favor of the plaintiffs, that protested privilege taxes on deposit of approximately \$109 million should be returned.

The State is treating the full amount of the protest account as a contingent claim of \$109 million, unless the State is successful on reconsideration or subsequent appeal.

Pursuant to the Balanced Budget Act of 1997, the Illinois Student Assistance Commission is required to refund \$19.7 million to the U.S. Department of Education by September 30, 2002.

The Illinois State Toll Highway Authority has

entered into commitments for road construction of \$215 million. The Illinois Housing Development Authority has entered into commitments aggregating \$30.4 million for home loans.

The State receives significant financial assistance from the U.S. Government in the form of grants and entitlements. Entitlement to these resources is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by the grantors. Any adjudicated disallowance as a result of these audits becomes a liability of the State.

Also, the State, its units and employees are parties to numerous legal proceedings, many of which normally recur, in governmental operations. All legal proceedings are not, in the opinion of the Attorney General, likely to have a material impact on any of the State's fund types or account groups.

In addition, the State and its units are involved in certain other legal proceedings, which, if decided adversely to the State, may require the State to make material future expenditures for expanded services or capital facilities or may impair future revenue sources. It is neither possible to determine the outcome of these proceedings nor to estimate the possible effects adverse decisions may have on future expenditures or revenue sources.

## 23

### SUBSEQUENT EVENTS

A Master Settlement Agreement (MSA) was executed in November of 1998 between five

tobacco companies and 46 states, including the State of Illinois. The MSA called for, among other things, the payment of more than \$200 billion allocated to the states in installments payable until the year 2025 with additional

payments continuing thereafter in perpetuity. The Illinois share is expected to be \$9.1 billion through 2025. The payments are subject to various adjustments such as those for volume shipped, inflation, and the success of litigation by other governmental units and could amount to less than the expected amounts. Various aspects of the MSA have been challenged in court both locally and nationally. In addition, an attorney's lien potentially in the amount of \$910 million has been filed against Illinois' proceeds, but the amount of loss to the lien, if any, is uncertain and, in any event, is subject to an offset of \$121 million awarded by an arbitrator for legal fees out of separate funds under the MSA. Because of the novelty of the MSA and of the many related claims and because of the uncertainty inherent in calculation under the MSA, it is not possible to accurately predict the amount of money that will actually be received by the State with reasonable certainty. It can be noted, however, that the State's first payment of approximately \$115 million was received in the week of December 13, 1999, contributing to a total of approximately \$400 million that is expected by April of 2000.



**This Page Intentionally Left Blank**

**REQUIRED SUPPLEMENTARY INFORMATION**



**Required Supplementary Information****Year 2000 Disclosure****(Unaudited)**

The State of Illinois is currently addressing the Year 2000 (Y2K) data processing compliance issues. The Y2K issue exists because many computer programs use only two digits to identify a year in the date field. These programs were designed and developed without considering the impact of the upcoming change in the century. Therefore, such programs may interpret the year 2000 as the year 1900. In addition, the Year 2000 is a leap year, which may generate additional problems. The State of Illinois will have to modify the computer systems or replace current systems with year 2000-compliant systems to address this issue. Finally, the Y2K issue could adversely affect any system or electronic equipment containing embedded computer chips that rely on date recognition features.

The following stages have been identified as necessary to implement a year 2000-compliant system:

- Awareness Stage – This stage encompasses establishing a budget and project plan for dealing with the Year 2000 issue.
- Assessment Stage – This stage begins with identifying all of the State's systems and individual components of those systems. The State has identified its mission-critical systems and equipment, which are systems and equipment that are critical to conducting operations and checking for compliance.
- Remediation Stage – This stage is comprised of making technical changes to existing systems and equipment or switching to new compliant systems. During this stage, decisions are made on how to make the systems year 2000 compliant, and the required system changes are made.
- Validation/Testing Stage – This stage validates and tests the changes made during the remediation stage. This stage includes the development of test data and test scripts, the running of test scripts, and the review of test results.

On July 30, 1998, with the enactment of Public Act 90-666, the State of Illinois created the Year 2000 Technology Task Force ("Task Force"). The Task Force is composed of several elected constitutional State officials, including four members of the General Assembly, the Auditor General, the Chief Justice of the Supreme Court, two representatives from municipalities, townships and counties and seven representatives from major mission-critical agencies.



Effective February 1999, the Governor created the Illinois Technology Office. This office was designed to strengthen the State's oversight of the Y2K preparedness efforts. With the creation of this office, the State moved from monitoring the readiness of mission-critical systems to monitoring the readiness of business functions for material agencies under the Governor's Office. The offices of the elected officials, retirement systems and universities are monitoring their Y2K readiness and their status is reported below.

*Illinois Technology Office (ITO)* - The change in methodology adopted by the Illinois Technology Office allows them to measure the readiness of a business function rather than the Y2K-readiness of the technology that supports it. The State's Y2K-readiness efforts now include measuring all components, including embedded chips; vendor and business partner assurances of Y2K-readiness; and electronic interfaces with other computer systems, as well as multiple tiers of computer hardware, software applications, and networking components.

Under this new methodology the State identified 708 business functions and developed contingency plans in the event of unforeseen failures. Of these, 75 (11%) are identified as Tier 1 functions, 120 (17%) as Tier 2 functions, and the remaining 513 (72%) as Tier 3 functions. A function assigned to Tier 1 indicates that this program, function or service could not be interrupted for more than one day without endangering the public health, welfare or safety of the citizens of the State of Illinois or seriously impacting the State's revenues streams. Tier 2 functions are those functions that could not be interrupted for more than one week and Tier 3 functions are all others. According to the Year 2000 Project Monthly Status Report as of November 30, 1999, the ITO reports that the Tier 1, 2 and 3 functions have completed 100% of the awareness, assessment and remediation stages and approximately 89% of the validation/testing stage.

*Elected Officials* - The Office of the Governor, the Office of the Attorney General, the Office of the Secretary of State, the Office of the Comptroller and the Office of the Treasurer have substantially completed all stages of Y2K implementation for major critical systems and have formulated contingency plans.

*Retirement Systems* - The State's retirement systems, the General Assembly Retirement System, the Judges' Retirement System, the State Employees' Retirement System, the State Universities Retirement System and the Teachers Retirement System have substantially completed all stages of Y2K implementation for major critical systems and have formulated contingency plans.

*Universities* - The State's major University component units, the University of Illinois, Southern Illinois University, Northern Illinois University, and Illinois State University have substantially completed the awareness and assessment stages of Y2K implementation and are currently in the remediation and validation stages of Y2K implementation. These universities have also formulated contingency plans.



The State's annual budgetary process does not readily support multi-year contracts. Therefore, the amount of the outstanding commitments applicable to the Year 2000 vendors at June 30, 1999 was minimal and not informative in assessing the State's expected current external costs. However, the Illinois Technology Office has estimated the total cost of completing the Year 2000 Project will exceed \$125 million for major agencies under the Governor's Office. Further, since all agencies have not reported the information on costs for completing the Year 2000 Project, the total estimated costs are not determinable at this time.

While the State of Illinois is taking what it believes to be appropriate action to address the Y2K issue, there is no guarantee that all of the State's systems and equipment will be year 2000-compliant and there will not be an adverse impact upon State operations or finances as a result. Since Y2K compliance by outside parties is beyond the State's control to remediate, the failure of outside parties to achieve Y2K compliance could have an adverse impact on State operations or finances as well. If significant adverse impacts were to occur, the State's contingency plans would be activated.

**Required Supplementary Information**  
**Pension Trust Funds – Schedule of Funding Progress**  
(Unaudited)

The following schedule of funding progress (dollar amounts in thousands) for the State of Illinois' retirement systems is provided for fiscal years ended June 30, 1997, 1998 and 1999.

	(a)	(b)	(c)	(d)	(e)	(f)
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability ("AAL") Projected Unit Credit	Unfunded AAL ("UAAL") (b-a)	Funded Ratio (a/b)	Covered Payroll	UAAL as a Percentage of Covered Payroll (c/e)
General Assembly						
6/30/97	\$ 56,710	\$ 143,837	\$ 87,127	39.4%	\$ 9,362	930.6%
6/30/98	62,738	150,408	87,671	41.7%	10,005	876.3%
6/30/99	66,833	160,871	94,038	41.5%	10,467	898.4%
Judges'						
6/30/97	314,561	704,460	389,899	44.7%	87,171	447.3%
6/30/98	356,693	747,276	390,583	47.7%	94,626	412.8%
6/30/99	389,762	805,587	415,825	48.4%	99,200	419.2%
State Employees'						
6/30/97	6,048,027	7,548,208	1,500,181	80.1%	3,003,628	49.9%
6/30/98	7,064,495	9,341,898	2,277,403	75.6%	3,096,087	73.6%
6/30/99	7,986,433	9,998,205	2,011,772	79.9%	3,212,569	62.6%
Teachers'						
6/30/97	17,393,108	26,951,585	9,558,477	64.5%	5,013,583	190.7%
6/30/98	19,965,887	29,908,241	9,942,354	66.8%	5,323,403	186.8%
6/30/99	22,237,709	33,205,513	10,967,804	67.0%	5,698,117	192.5%
State Universities						
6/30/97	8,376,300	10,552,200	2,175,900	79.4%	2,298,000	94.7%
6/30/98	9,792,000	11,416,100	1,624,100	85.8%	2,377,600	68.3%
6/30/99	10,761,700	12,617,500	1,855,800	85.3%	2,411,100	77.0%



**This Page Intentionally Left Blank**

# GENERAL FUND

The General Fund is maintained to account for resources obtained and used for those services traditionally provided by State government which are not required to be accounted for in another fund.



State of Illinois

Combining Schedule of Accounts  
General Fund

June 30, 1999 (Expressed in Thousands)

	General Revenue	Education Assistance	Common School	Medicaid Provider Assessment Program	Eliminations	Total
<b>ASSETS</b>						
Cash and cash equivalents	\$ 690,639	\$ 212,746	\$ 143,193	\$ 107,222		\$ 1,153,800
Investments	656,069					656,069
Receivables, net:						
Taxes	645,894	14,880	106,708	14,108		781,590
Intergovernmental	521,585			227,844		749,429
Other	76,777		40	148		76,965
Due from other funds	261,181	29,954	48			291,183
Due from component units	4,365	458		16,394		21,217
Inventories	38,083					38,083
Loans and notes receivable	20,027					20,027
Other assets	13,314					13,314
<b>Total assets</b>	<b>\$ 2,927,934</b>	<b>\$ 258,038</b>	<b>\$ 249,989</b>	<b>\$ 365,716</b>	<b>\$ --</b>	<b>\$ 3,801,677</b>
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities	\$ 1,928,451	\$ 270	\$ 86,607	\$ 264,210		\$ 2,279,538
Intergovernmental payables	1,017,005	13	9,637	21,529		1,048,184
Due to other funds	385,801		72,925	50,900		509,626
Due to component units	62,883	1,349		29,014		93,246
Deferred revenues	165,479	252	7,946	8		173,685
<b>Total liabilities</b>	<b>3,559,619</b>	<b>1,884</b>	<b>177,115</b>	<b>365,651</b>		<b>4,104,279</b>
<b>FUND BALANCES (DEFICIT)</b>						
Reserved for:						
Encumbrances	405,194	43	5,420			410,657
Long-term portion of:						
Intergovernmental and other receivables	367					367
Loans and notes receivable	17,709					17,709
Inventories	38,083					38,083
Other	5,282					5,282
Unreserved, undesignated (deficit)	(1,098,320)	256,111	67,454	55		(774,700)
<b>Total fund balances (deficit)</b>	<b>(631,685)</b>	<b>256,154</b>	<b>72,874</b>	<b>55</b>		<b>(302,602)</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,927,934</b>	<b>\$ 258,038</b>	<b>\$ 249,989</b>	<b>\$ 365,716</b>	<b>\$ --</b>	<b>\$ 3,801,677</b>

**State of Illinois**

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of  
Financial Resources and Changes in Fund Balance  
General Fund**

For the Year Ended June 30, 1999 (Expressed in Thousands)

	General Revenue	Education Assistance	Common School	Medicaid Provider Assessment Program	Eliminations	Total
<b>REVENUES</b>						
Income taxes	\$ 7,855,785	\$ 610,628				\$ 8,466,413
Sales taxes	4,227,859		\$ 1,405,487			5,633,346
Public utility taxes	927,425		114,266			1,041,691
Other taxes	1,084,120		150,225	\$ 175,798		1,410,143
Federal government	4,047,214			571,271		4,618,485
Licenses and fees	71,900		669			72,569
Interest and other investment income	218,323		824	1,789		220,936
Other	103,312	380		499,901		603,593
<b>Total revenues</b>	<b>18,535,938</b>	<b>611,008</b>	<b>1,671,471</b>	<b>1,248,759</b>		<b>22,067,176</b>
<b>EXPENDITURES</b>						
Current:						
Health and social services	8,365,295			1,219,711		9,585,006
Education	2,440,132	515,584	3,037,966			5,993,682
General government	1,289,740	174	103			1,290,017
Social assistance	878,667					878,667
Transportation	47,666					47,666
Public protection and justice	1,536,489					1,536,489
Natural resources and recreation	173,612					173,612
Debt service:						
Principal	28,127					28,127
Interest	40,605					40,605
Capital outlays	86,150	80				86,230
<b>Total expenditures</b>	<b>14,886,483</b>	<b>515,838</b>	<b>3,038,069</b>	<b>1,219,711</b>		<b>19,660,101</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>3,649,455</b>	<b>95,170</b>	<b>(1,366,596)</b>	<b>29,048</b>		<b>2,407,075</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>						
Operating transfers-in	387,636	276,323	2,721,555	44,700	\$ (816,955)	2,613,259
Operating transfers-out	(2,998,179)	1	(1,386,049)	(73,748)	816,955	(3,641,020)
Operating transfers to component units	(1,376,212)	(110,711)				(1,486,923)
Capital lease financing	18,156					18,156
<b>Net other sources (uses) of financial resources</b>	<b>(3,968,599)</b>	<b>165,613</b>	<b>1,335,506</b>	<b>(29,048)</b>	<b>-- --</b>	<b>(2,496,528)</b>
<b>Excess (deficiency) of revenues over (under) expenditures and net other sources (uses) of financial resources</b>	<b>(319,144)</b>	<b>260,783</b>	<b>(31,092)</b>	<b>-- --</b>	<b>-- --</b>	<b>(89,453)</b>
Fund balances (deficits), July 1, 1998	(312,541)	(4,629)	103,966	55		(213,149)
<b>FUND BALANCES (DEFICIT), JUNE 30, 1999</b>	<b>\$ (631,685)</b>	<b>\$ 256,154</b>	<b>\$ 72,874</b>	<b>\$ 55</b>	<b>\$ -- --</b>	<b>\$ (302,602)</b>



State of Illinois

Combining Schedule of Accounts - General Fund  
Medicaid Provider Assessment Program

June 30, 1999 (Expressed in Thousands)

	University of Illinois Hospital Services	Long-Term Care Provider	Hospital	Other	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 36,001	\$ 60,844	\$ 7,370	\$ 3,007	\$ 107,222
Receivables, net:					
Taxes		5,734	7,172	1,202	14,108
Intergovernmental	20,367	18,617	186,799	2,061	227,844
Other		84	47	17	148
Due from component units	16,394				16,394
<b>Total assets</b>	<b>\$ 72,762</b>	<b>\$ 85,279</b>	<b>\$ 201,388</b>	<b>\$ 6,287</b>	<b>\$ 365,716</b>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities		\$ 85,262	\$ 173,343	\$ 5,605	\$ 264,210
Intergovernmental payables		2	20,901	626	21,529
Due to other funds	\$ 43,748	7	7,144	1	50,900
Due to component units	29,014				29,014
Deferred revenues		8			8
<b>Total liabilities</b>	<b>72,762</b>	<b>85,279</b>	<b>201,388</b>	<b>6,232</b>	<b>365,661</b>
<b>FUND BALANCES</b>					
Unreserved, undesignated				55	55
<b>Total fund balances</b>				<b>55</b>	<b>55</b>
<b>Total liabilities and fund balances</b>	<b>\$ 72,762</b>	<b>\$ 85,279</b>	<b>\$ 201,388</b>	<b>\$ 6,287</b>	<b>\$ 365,716</b>

**State of Illinois**

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of  
Financial Resources and Changes in Fund Balance - General Fund  
Medicaid Provider Assessment Program**

For the Year Ended June 30, 1999 (Expressed in Thousands)

	University of Illinois Hospital Services	Long-Term Care Provider	Hospital	Other	Total
<b>REVENUES</b>					
Other taxes		\$ 151,796	\$ 6,888	\$ 17,114	\$ 175,798
Federal government	\$ 12,156	106,249	440,180	12,686	571,271
Interest and other investment income		896	771	122	1,789
Other	34,180	49	465,672		499,901
Total revenues	46,336	258,990	913,511	29,922	1,248,759
<b>EXPENDITURES</b>					
Current:					
Health and social services	17,288	258,990	913,511	29,922	1,219,711
Total expenditures	17,288	258,990	913,511	29,922	1,219,711
Excess of revenues over expenditures	29,048	--	--	--	29,048
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>					
Operating transfers-in	44,700				44,700
Operating transfers-out	(73,748)				(73,748)
Net other sources (uses) of financial resources	(29,048)				(29,048)
Excess of revenues over expenditures and net other sources (uses) of financial resources	--	--	--	--	--
Fund balances, July 1, 1998	--	--	--	55	55
FUND BALANCES, JUNE 30, 1999	\$ --	\$ --	\$ --	\$ 55	\$ 55



# **SPECIAL REVENUE FUNDS**

The Special Revenue Funds are maintained to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

## SIGNIFICANT SPECIAL REVENUE FUNDS DESCRIPTIONS

### **Department of Children and Family Services**

DCFS Children's Services Fund--to account for revenues and expenditures related to the federal Title IV-E foster care and adoption service program.

### **Department of Employment Security**

Title III Social Security and Employment Services Fund--to account for monies received from the federal government for the specific purpose of administering the Unemployment Compensation Act.

### **Department of Financial Institutions**

State Pensions Fund--receipts from the sale of abandoned property. Expenditures are primarily to the various state retirement systems for the reduction of the accrued actuarial unfunded liability.

### **Department of Public Aid**

Child Support Enforcement Trust Fund--to record child support payments, federal grants, and incentive payments that are related to the Child Support Enforcement Program.

### **Department of Revenue**

County and Mass Transit District Fund--to record 4% of the proceeds from a 6.25% Retailers' and Service Occupation tax.

Local Government Tax Fund--to account for 15% share of various sales taxes that will be distributed to cities and counties.

Local Government Distributive Fund--a portion of State income tax collections that are distributed to the various municipalities and counties within the State. On a monthly basis, 1/12 of the income tax receipts are transferred to this fund from the General Fund for such distributions.

Personal Property Tax Replacement Fund--the net revenue received from the personal property replacement income tax. Expenditures consist of allocations to each taxing district within the State and administrative costs.

### **Department of Transportation**

Road Fund--monies collected for the purpose of administering State highway programs. Funding sources include federal aid, State motor fuel taxes and various license and fee charges. Expenditures are for highway maintenance and construction, traffic control and safety, and administering motor vehicle laws and regulations.

Motor Fuel Tax Fund--various transportation related program expenditures and the administrative cost of supervising the use of funds apportioned to municipalities, counties and road districts. Revenue is derived from State fuel taxes and an allocation (transfer) of State sales tax collections from the General Fund.

State Construction Account Fund--a portion of motor vehicle registration fees, weight taxes and transfers from the Motor Fuel Tax Fund. The fund is used exclusively for the construction, reconstruction, and maintenance of the State maintained highway system.

### **Environmental Protection Agency**

Water Pollution Control Revolving Fund--to assist units of local government in financing the construction of wastewater treatment facilities by making direct loans at or below market interest rates.

### **Illinois Student Assistance Commission**

Student Loan Fund--to account for monies collected on defaulted student loans from individuals and the federal government under the student loan guarantee program. Expenditures are primarily to lenders of defaulted guaranteed student loans.



State of Illinois

Combining Balance Sheet

Special Revenue Funds

June 30, 1999 (Expressed in Thousands)

	Departments					
	Commerce and Community Affairs	Natural Resources	Human Services	Revenue	Transportation	Other Departments
<b>ASSETS</b>						
Cash and cash equivalents	\$ 316,971	\$ 45,885	\$ 58,926	\$ 555,101	\$ 1,034,958	\$ 172,343
Investments						
Receivables, net:						
Taxes	4,983		710	185,287	191,170	
Intergovernmental	13,715	2,726	32,075	73,620	484,049	97,122
Other	62	1,250	8,280	463	44,761	83,217
Due from other funds			27,674	113,223	155,720	10,032
Due from component units			15		1,926	21
Inventories		1,464	3,321		18,570	7,854
Loans and notes receivable	4,109				27,962	
Other assets	13,128	78	133		611	415
<b>Total assets</b>	<b>\$ 352,968</b>	<b>\$ 51,403</b>	<b>\$ 131,134</b>	<b>\$ 927,694</b>	<b>\$ 1,959,727</b>	<b>\$ 371,004</b>
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities	\$ 16,400	\$ 1,233	\$ 79,748	\$ 29,538	\$ 173,597	\$ 84,962
Intergovernmental payables		44	225	699,245	102,515	33,304
Due to other funds	1,689	561	6,241	146,459	121,287	7,345
Due to component units	94	512	239		5,418	1,583
Deferred revenues	285,000		38,314	20,075	90,473	26
Other liabilities						
<b>Total liabilities</b>	<b>303,183</b>	<b>2,350</b>	<b>124,767</b>	<b>895,317</b>	<b>493,290</b>	<b>127,220</b>
<b>FUND BALANCES</b>						
Reserved for:						
Encumbrances	72	35,676	853	1	1,308,576	3,992
Long-term portion of:						
Intergovernmental and other receivables					454,700	
Loans and notes receivable	3,220				26,019	
Inventories		1,464	3,321		18,570	7,854
Other	13,128	78			611	
Unreserved, undesignated (deficit)	33,365	11,835	2,193	32,376	(342,039)	231,938
<b>Total fund balances</b>	<b>49,785</b>	<b>49,053</b>	<b>6,367</b>	<b>32,377</b>	<b>1,466,437</b>	<b>243,784</b>
<b>Total liabilities and fund balances</b>	<b>\$ 352,968</b>	<b>\$ 51,403</b>	<b>\$ 131,134</b>	<b>\$ 927,694</b>	<b>\$ 1,959,727</b>	<b>\$ 371,004</b>

Agencies, Boards and Authorities			Higher Education Student Assistance Commission			
Environmental Protection Agency	State Board of Education	Other Agencies, Boards and Authorities	Student Loan	Other	Total	
\$ 156,975	\$ 66,902	\$ 123,523	\$ 98,122	\$ 644,461	\$ 3,274,167	
				447	447	
		9,359		6,658	398,167	
775	121,170		17,426	52,916	895,594	
532	76	81	584	32,404	171,710	
2,749	2,069			51,051	362,518	
				527	2,499	
	973			2,563	34,745	
719,320				12,918	764,309	
				1,606	15,971	
\$ 880,351	\$ 191,190	\$ 132,963	\$ 116,132	\$ 805,551	\$ 5,920,117	
\$ 3,806	\$ 739	\$ 1,385	\$ 4,322	\$ 74,022	\$ 469,752	
23,650	152,008	4	13,246	55,925	1,080,166	
86	2,506	25	147	34,084	320,430	
11	244			5,321	13,422	
		343		31,336	465,567	
				88	88	
27,553	155,497	1,757	17,715	200,776	2,349,425	
93,176	145	60,569		67,680	1,570,740	
				3,499	458,199	
662,076				10,842	702,157	
	973			2,563	34,745	
				2,062	15,879	
97,546	34,575	70,637	98,417	518,129	788,972	
852,798	35,693	131,206	98,417	604,775	3,570,692	
\$ 880,351	\$ 191,190	\$ 132,963	\$ 116,132	\$ 805,551	\$ 5,920,117	



**State of Illinois**

**Combining Statement of Revenues, Expenditures, Other Sources and Uses of  
Financial Resources and Changes in Fund Balances  
Special Revenue Funds**

For the Year Ended June 30, 1999 (Expressed in Thousands)

	Departments					
	Commerce and Community Affairs	Natural Resources	Human Services	Revenue	Transportation	Other Departments
<b>REVENUES</b>						
Income taxes				\$ 784,079		
Sales taxes				2,038,716		
Motor fuel taxes					\$ 1,241,246	
Public utility taxes	\$ 73,719			203,528		
Other taxes		\$ 18,786	\$ 2,870	440,165		
Federal government	174,922	6,392	1,301,213		1,026,696	\$ 388,201
Licenses and fees		22,520		1,029	770,393	91
Interest and other investment income	3,469	131	96	3,515	34,785	
Other	446	1,818	76,795	1	81,012	250,713
<b>Total revenues</b>	<b>252,556</b>	<b>49,647</b>	<b>1,380,974</b>	<b>3,471,033</b>	<b>3,154,132</b>	<b>639,005</b>
<b>EXPENDITURES</b>						
Current:						
Health and social services			598,634			477,074
Education						237
General government	242,258			3,580,556	287,957	63,584
Social assistance			791,112			405,306
Transportation					2,430,199	
Public protection and justice					52,733	9,555
Natural resources and recreation		38,996				
Debt service:						
Principal		37	16		1,441	21
Interest		5		13,486	373	
Capital outlays	449	1,399	2,702	143	29,905	8,784
<b>Total expenditures</b>	<b>242,707</b>	<b>40,437</b>	<b>1,392,464</b>	<b>3,594,185</b>	<b>2,782,608</b>	<b>964,561</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>9,849</b>	<b>9,210</b>	<b>(11,490)</b>	<b>(123,152)</b>	<b>371,524</b>	<b>(325,556)</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>						
Operating transfers-in	20		3,062	970,664	1,045,924	274,391
Operating transfers-out	(3,757)	(1,400)	(3,100)	(850,295)	(992,259)	(16,100)
Operating transfers to component units	(398)	(1,307)	(1,566)		(337)	(12,755)
Capital lease financing		22			190	20
<b>Net other sources (uses) of financial resources</b>	<b>(4,135)</b>	<b>(2,685)</b>	<b>(1,604)</b>	<b>120,369</b>	<b>53,518</b>	<b>245,556</b>
<b>Excess (deficiency) of revenues over (under) expenditures and net other sources (uses) of financial resources</b>	<b>5,714</b>	<b>6,525</b>	<b>(13,094)</b>	<b>(2,783)</b>	<b>425,042</b>	<b>(80,000)</b>
Fund balances (deficit), July 1, 1998	44,071	42,528	19,461	35,160	1,041,395	323,784
<b>FUND BALANCES, JUNE 30, 1999</b>	<b>\$ 49,785</b>	<b>\$ 49,053</b>	<b>\$ 6,367</b>	<b>\$ 32,377</b>	<b>\$ 1,466,437</b>	<b>\$ 243,784</b>

Agencies, Boards and Authorities			Higher Education Student Assistance Commission		
Environmental Protection Agency	State Board of Education	Other Agencies, Boards and Authorities	Student Loan	Other	Total
				\$ 16,934	\$ 784,079
		\$ 64,992			2,055,650
		102,284		16,382	1,306,238
				89,239	395,913
\$ 74,815	\$ 1,188,741		\$ 100,799	456,734	551,060
19	11,730	542	5,167	267,547	4,718,513
17,291	315		4,228	9,266	1,079,038
8,618	16,468	68,633	35,191	178,816	73,096
100,743	1,217,254	236,451	145,385	1,034,918	718,511
					11,682,098
				229,778	1,305,496
	1,184,582	12,154	131,493	22,365	1,350,831
1,909		69,262		363,175	4,588,701
				10,771	1,207,189
				54,433	2,484,632
		2,802		295,463	360,553
61,355		30,292		132,266	262,909
18	28			3,768	5,329
1	2			203	14,070
357	845	226	559	42,806	88,175
63,640	1,185,457	114,736	132,052	1,155,028	11,667,875
37,103	31,797	121,715	13,333	(120,110)	14,223
69,871	30,200			343,720	2,737,852
(607)	(11,893)	(53,977)	(1,047)	(163,262)	(2,097,697)
	(2,422)			(13,164)	(31,949)
				5,279	5,511
69,264	15,885	(53,977)	(1,047)	172,573	613,717
106,367	47,682	67,738	12,286	52,463	627,940
746,431	(11,989)	63,468	86,131	552,312	2,942,752
\$ 852,798	\$ 35,693	\$ 131,206	\$ 98,417	\$ 604,775	\$ 3,570,692



**State of Illinois**

**Combining Balance Sheet - Special Revenue Funds**

**Department of Commerce and Community Affairs**

June 30, 1999 (Expressed in Thousands)

	Low Income Home Energy Assistance Block Grant	Fund For Illinois' Future	Community Development/ Small Cities Block Grant	Job Training Partnership	Build Illinois Loan Programs	Total
<b>ASSETS</b>						
Cash and cash equivalents	\$ 15,441	\$ 285,000	\$ 57	\$ 225	\$ 16,248	\$ 316,971
Receivables, net:						
Taxes	4,983					4,983
Intergovernmental			2,092	11,623		13,715
Other					62	62
Loans and notes receivable					4,109	4,109
Other assets					13,128	13,128
<b>Total assets</b>	<b>\$ 20,424</b>	<b>\$ 285,000</b>	<b>\$ 2,149</b>	<b>\$ 11,848</b>	<b>\$ 33,547</b>	<b>\$ 352,968</b>
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities	\$ 3,548		\$ 2,145	\$ 10,220	\$ 487	\$ 16,400
Due to other funds	150		3	1,534	2	1,689
Due to component units				94		94
Deferred revenues		\$ 285,000				285,000
<b>Total liabilities</b>	<b>3,698</b>	<b>285,000</b>	<b>2,148</b>	<b>11,848</b>	<b>489</b>	<b>303,183</b>
<b>FUND BALANCES</b>						
Reserved for:						
Encumbrances	32			39	1	72
Long-term portion loans and notes receivable					3,220	3,220
Other					13,128	13,128
Unreserved, undesignated (deficit)	16,694		1	(39)	16,709	33,365
<b>Total fund balances</b>	<b>16,726</b>		<b>1</b>	<b>--</b>	<b>33,058</b>	<b>49,785</b>
<b>Total liabilities and fund balances</b>	<b>\$ 20,424</b>	<b>\$ 285,000</b>	<b>\$ 2,149</b>	<b>\$ 11,848</b>	<b>\$ 33,547</b>	<b>\$ 352,968</b>

**State of Illinois**

**Combining Statement of Revenues, Expenditures, Other Sources and Uses of  
Financial Resources and Changes in Fund Balances - Special Revenue Funds  
Department of Commerce and Community Affairs**

For the Year Ended June 30, 1999 (Expressed in Thousands)

	Low Income Home Energy Assistance Block Grant	Fund For Illinois' Future	Community Development/ Small Cities Block Grant	Job Training Partnership	Build Illinois Loan Programs	Total
<b>REVENUES</b>						
Public utility taxes	\$ 73,719					\$ 73,719
Federal government			\$ 59,485	\$ 115,437		174,922
Interest and other investment income					\$ 3,469	3,469
Other			213	233		446
<b>Total revenues</b>	<b>73,719</b>		<b>59,698</b>	<b>115,670</b>	<b>3,469</b>	<b>252,556</b>
<b>EXPENDITURES</b>						
Current:						
General government	70,950		59,672	111,338	298	242,258
Capital outlays	208		25	197	19	449
<b>Total expenditures</b>	<b>71,158</b>		<b>59,697</b>	<b>111,535</b>	<b>317</b>	<b>242,707</b>
<b>Excess of revenues over expenditures</b>	<b>2,561</b>	<b>--</b>	<b>1</b>	<b>4,135</b>	<b>3,152</b>	<b>9,849</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>						
Operating transfers-in				20		20
Operating transfers-out				(3,757)		(3,757)
Operating transfers to component units				(398)		(398)
<b>Net other sources (uses) of financial resources</b>				<b>(4,135)</b>		<b>(4,135)</b>
<b>Excess of revenues over expenditures and net other sources (uses) of financial resources</b>	<b>2,561</b>	<b>--</b>	<b>1</b>	<b>--</b>	<b>3,152</b>	<b>5,714</b>
Fund balances, July 1, 1998	14,165				29,906	44,071
<b>FUND BALANCES, JUNE 30, 1999</b>	<b>\$ 16,726</b>	<b>\$ --</b>	<b>\$ 1</b>	<b>\$ --</b>	<b>\$ 33,058</b>	<b>\$ 49,785</b>



**State of Illinois****Combining Balance Sheet - Special Revenue Funds****Department of Natural Resources**

June 30, 1999 (Expressed in Thousands)

	Wildlife and Fish	Open Space Lands Acquisition and Development	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 4,666	\$ 41,219	\$ 45,885
Receivables, net:			
Intergovernmental	2,726		2,726
Other	1,250		1,250
Inventories	1,464		1,464
Other assets	78		78
<b>Total assets</b>	<b>\$ 10,184</b>	<b>\$ 41,219</b>	<b>\$ 51,403</b>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 1,202	\$ 31	\$ 1,233
Intergovernmental payables	42	2	44
Due to other funds	555	6	561
Due to component units	507	5	512
<b>Total liabilities</b>	<b>2,306</b>	<b>44</b>	<b>2,350</b>
<b>FUND BALANCES</b>			
Reserved for:			
Encumbrances	1,077	34,599	35,676
Inventories	1,464		1,464
Other	78		78
Unreserved, undesignated	5,259	6,576	11,835
<b>Total fund balances</b>	<b>7,878</b>	<b>41,175</b>	<b>49,053</b>
<b>Total liabilities and fund balances</b>	<b>\$ 10,184</b>	<b>\$ 41,219</b>	<b>\$ 51,403</b>

**State of Illinois**

**Combining Statement of Revenues, Expenditures, Other Sources and Uses of  
Financial Resources and Changes in Fund Balances - Special Revenue Funds  
Department of Natural Resources**

For the Year Ended June 30, 1999 (Expressed in Thousands)

	Wildlife and Fish	Open Space Lands Acquisition and Development	Total
<b>REVENUES</b>			
Other taxes		\$ 18,786	\$ 18,786
Federal government	\$ 6,392		6,392
Licenses and fees	22,520		22,520
Interest and other investment income	131		131
Other	1,818		1,818
<b>Total revenues</b>	<b>30,861</b>	<b>18,786</b>	<b>49,647</b>
<b>EXPENDITURES</b>			
Current:			
Natural resources and recreation	25,614	13,382	38,996
Debt service:			
Principal	37		37
Interest	5		5
Capital outlays	1,321	78	1,399
<b>Total expenditures</b>	<b>26,977</b>	<b>13,460</b>	<b>40,437</b>
<b>Excess of revenues over expenditures</b>	<b>3,884</b>	<b>5,326</b>	<b>9,210</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>			
Operating transfers-out	(1,400)		(1,400)
Operating transfers to component units	(1,286)	(21)	(1,307)
Capital lease financing	22		22
<b>Net other sources (uses) of financial resources</b>	<b>(2,664)</b>	<b>(21)</b>	<b>(2,685)</b>
<b>Excess of revenues over expenditures and net other sources (uses) of financial resources</b>	<b>1,220</b>	<b>5,305</b>	<b>6,525</b>
Fund balances, July 1, 1998	6,658	35,870	42,528
<b>FUND BALANCES, JUNE 30, 1999</b>	<b>\$ 7,878</b>	<b>\$ 41,175</b>	<b>\$ 49,053</b>



*State of Illinois*

**Combining Balance Sheet - Special Revenue Funds**

**Department of Human Services**

June 30, 1999 (Expressed in Thousands)

	Substance Abuse Block Grant	Mental Health	Vocational Rehabilitation	Special Purposes Trust	Old Age Survivors Insurance	Federal Projects Fund
<b>ASSETS</b>						
Cash and cash equivalents	\$ 19,801	\$ 4,829	\$ 9,625	\$ 10,850	\$ 416	\$ 2,023
Receivables, net:						
Taxes		710				
Intergovernmental		273	13,327		2,736	8,063
Other		3,464	183		1	
Due from other funds		1,063		22,958		99
Due from component units				15		
Inventories			398		359	
Other assets						
<b>Total assets</b>	<b>\$ 19,801</b>	<b>\$ 10,339</b>	<b>\$ 23,533</b>	<b>\$ 33,823</b>	<b>\$ 3,512</b>	<b>\$ 10,185</b>
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities	\$ 9,606	\$ 20,675	\$ 4,424	\$ 8,774	\$ 3,045	\$ 9,462
Intergovernmental payables	4	2	93	23	70	2
Due to other funds	24	139	1,242	500	397	22
Due to component units	19		151			67
Deferred revenues	10,148	1,524	19	24,526		
<b>Total liabilities</b>	<b>19,801</b>	<b>22,340</b>	<b>5,929</b>	<b>33,823</b>	<b>3,512</b>	<b>9,553</b>
<b>FUND BALANCES (DEFICIT)</b>						
Reserved for:						
Encumbrances					122	
Inventories			398		359	
Unreserved, undesignated (deficits)		(12,001)	17,206		(481)	632
<b>Total fund balances (deficit)</b>		<b>(12,001)</b>	<b>17,604</b>		<b>--</b>	<b>632</b>
<b>Total liabilities and fund balances</b>	<b>\$ 19,801</b>	<b>\$ 10,339</b>	<b>\$ 23,533</b>	<b>\$ 33,823</b>	<b>\$ 3,512</b>	<b>\$ 10,185</b>

USDA Woman, Infants and Children	Maternal and Child Health Services Block Grant	Food Stamp and Commodity Fund	Total
\$ 4,227	\$ 7,155		\$ 58,926
			710
7,676			32,075
4,632			8,280
3,554			27,674
			15
2,483	25	\$ 56	3,321
		133	133
\$ 22,572	\$ 7,180	\$ 189	\$ 131,134
\$ 18,677	\$ 5,085		\$ 79,748
10	21		225
3,885	32		6,241
	2		239
	1,964	\$ 133	38,314
22,572	7,104	133	124,767
24	707		853
2,483	25	56	3,321
(2,507)	(656)		2,193
--	76	56	6,367
\$ 22,572	\$ 7,180	\$ 189	\$ 131,134



State of Illinois

**Combining Statement of Revenues, Expenditures, Other Sources and Uses of  
Financial Resources and Changes in Fund Balances - Special Revenue Funds  
Department of Human Services**

For the Year Ended June 30, 1999 (Expressed in Thousands)

	Substance Abuse Block Grant	Mental Health	Vocational Rehabilitation	Special Purposes Trust	Old Age Survivors Insurance	Federal Projects Fund
<b>REVENUES</b>						
Other taxes		\$ 2,870				
Federal government	\$ 55,217	6,206	\$ 98,967	\$ 96,584	\$ 56,192	\$ 41,635
Interest and other investment income						
Other	14	16,769	850		2	
<b>Total revenues</b>	<b>55,231</b>	<b>25,845</b>	<b>99,817</b>	<b>96,584</b>	<b>56,194</b>	<b>41,635</b>
<b>EXPENDITURES</b>						
Current:						
Health and social services	55,134	24,513	94,951	111,004	55,315	41,956
Social assistance						
Debt service:						
Principal	15		1			
Capital outlays	3	45	1,024	197	879	242
<b>Total expenditures</b>	<b>55,152</b>	<b>24,558</b>	<b>95,976</b>	<b>111,201</b>	<b>56,194</b>	<b>42,198</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>79</b>	<b>1,287</b>	<b>3,841</b>	<b>(14,617)</b>	<b>-- --</b>	<b>(563)</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>						
Operating transfers-in		7		1,448		1,607
Operating transfers-out	(13)	(1,356)		(1,680)		
Operating transfers to component units	(66)		(941)	(145)		(412)
<b>Net other sources (uses) of financial resources</b>	<b>(79)</b>	<b>(1,349)</b>	<b>(941)</b>	<b>(357)</b>		<b>1,195</b>
<b>Excess (deficiency) of revenues over (under) expenditures and net other sources (uses) of financial resources</b>	<b>-- --</b>	<b>(62)</b>	<b>2,900</b>	<b>(14,974)</b>	<b>-- --</b>	<b>632</b>
Fund balances (deficit), July 1, 1998	-- --	(11,939)	14,704	14,974	-- --	-- --
<b>FUND BALANCES (DEFICIT), JUNE 30, 1999</b>	<b>\$ -- --</b>	<b>\$ (12,001)</b>	<b>\$ 17,604</b>	<b>\$ -- --</b>	<b>\$ -- --</b>	<b>\$ 632</b>

USDA Woman, Infants and Children	Maternal and Child Health Services Block Grant	Food Stamp and Commodity Fund	Total
			\$ 2,670
\$ 135,123	\$ 21,843	\$ 789,446	1,301,213
96			96
59,160			76,795
194,379	21,843	789,446	1,380,974
194,142	21,619		598,634
		791,112	791,112
			16
166	146		2,702
194,308	21,765	791,112	1,392,464
71	78	(1,666)	(11,490)
			3,062
(71)			(3,100)
	(2)		(1,566)
(71)	(2)		(1,604)
--	76	(1,666)	(13,094)
--	--	1,722	19,461
\$ --	\$ 76	\$ 56	\$ 6,367



*State of Illinois*

**Combining Balance Sheet - Special Revenue Funds**

**Department of Revenue**

June 30, 1999 (Expressed in Thousands)

	State Gaming	State and Local Sales Tax Reform	County and Mass Transit District	Local Government Tax	Local Government Distributive
<b>ASSETS</b>					
Cash and cash equivalents	\$ 49,821	\$ 36,355	\$ 40,787	\$ 212,407	\$ 12,827
Receivables, net:					
Taxes	3,234	11,038	15,352	84,506	1,465
Intergovernmental					
Other	10				
Due from other funds					103,773
<b>Total assets</b>	<b>\$ 53,065</b>	<b>\$ 47,393</b>	<b>\$ 56,139</b>	<b>\$ 296,913</b>	<b>\$ 118,065</b>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 302				\$ 1,448
Intergovernmental payables	11,493	\$ 9,279	\$ 32,976	\$ 290,208	115,863
Due to other funds	32,107	37,116	21,765		625
Deferred revenues	16	998	1,398	6,705	129
<b>Total liabilities</b>	<b>43,918</b>	<b>47,393</b>	<b>56,139</b>	<b>296,913</b>	<b>118,065</b>
<b>FUND BALANCES</b>					
Reserved for encumbrances					
Unreserved, undesignated (deficit)		9,147			
<b>Total fund balances</b>		<b>9,147</b>			
<b>Total liabilities and fund balances</b>	<b>\$ 53,065</b>	<b>\$ 47,393</b>	<b>\$ 56,139</b>	<b>\$ 296,913</b>	<b>\$ 118,065</b>

Personal Property Tax Replacement	Build Illinois	Total
\$ 195,512	\$ 7,392	\$ 555,101
40,602	29,090	185,287
73,620		73,620
385	68	463
	9,450	113,223
\$ 310,119	\$ 45,000	\$ 927,694
\$ 7,563	\$ 20,225	\$ 29,538
239,426		699,245
54,846		146,459
8,284	2,545	20,075
310,119	22,770	895,317
1		1
(1)	23,230	32,376
--	23,230	32,377
\$ 310,119	\$ 46,000	\$ 927,694



**State of Illinois**

**Combining Statement of Revenues, Expenditures, Other Sources and Uses of  
Financial Resources and Changes in Fund Balances - Special Revenue Funds  
Department of Revenue**

For the Year Ended June 30, 1999 (Expressed in Thousands)

	State Gaming	State and Local Sales Tax Reform	County and Mass Transit District	Local Government Tax	Local Government Distributive
<b>REVENUES</b>					
Income taxes					
Sales taxes		\$ 193,910	\$ 259,975	\$ 1,228,133	\$ 23,982
Public utility taxes					
Other taxes	\$ 356,627				
Licenses and fees	1,029				
Interest and other investment income					
Other					1
<b>Total revenues</b>	<b>357,656</b>	<b>193,910</b>	<b>259,975</b>	<b>1,228,133</b>	<b>23,983</b>
<b>EXPENDITURES</b>					
Current:					
General government	96,549	37,331	259,975	1,228,133	951,832
Debt service:					
Interest					
Capital outlays	31				
<b>Total expenditures</b>	<b>96,580</b>	<b>37,331</b>	<b>259,975</b>	<b>1,228,133</b>	<b>951,832</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>261,076</b>	<b>156,579</b>	<b>-- --</b>	<b>-- --</b>	<b>(927,849)</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>					
Operating transfers-in					932,849
Operating transfers-out	(265,556)	(156,579)			(5,000)
<b>Net other sources (uses) of financial resources</b>	<b>(265,556)</b>	<b>(156,579)</b>			<b>927,849</b>
<b>Excess (deficiency) of revenues over (under) expenditures and net other sources (uses) of financial resources</b>	<b>(4,480)</b>	<b>-- --</b>	<b>-- --</b>	<b>-- --</b>	<b>-- --</b>
Fund balances, July 1, 1998	13,627	-- --	-- --	-- --	-- --
<b>FUND BALANCES, JUNE 30, 1999</b>	<b>\$ 9,147</b>	<b>\$ -- --</b>	<b>\$ -- --</b>	<b>\$ -- --</b>	<b>\$ -- --</b>

Personal Property Tax Replacement	Build Illinois	Total
\$ 784,079	\$ 784,079	
203,528	332,716	2,038,716
	83,538	203,528
		440,165
2,740	775	1,029
		3,515
		1
990,347	417,029	3,471,033
976,749	29,987	3,580,556
13,486		13,486
112		143
990,347	29,987	3,594,185
--	387,042	(123,152)
	37,815	970,664
	(423,160)	(850,295)
	(385,345)	120,369
--	1,697	(2,783)
--	21,533	35,160
\$ --	\$ 23,230	\$ 32,377



State of Illinois

Combining Balance Sheet - Special Revenue Funds

Department of Transportation

June 30, 1999 (Expressed in Thousands)

	Road	Motor Fuel Tax	Grade Crossing Protection	Federal/Local Airport	State Rail Freight Loan Repayment
<b>ASSETS</b>					
Cash and cash equivalents	\$ 554,604	\$ 122,801	\$ 39,575	\$ 3,170	\$ 3,418
Receivables, net:					
Taxes		191,170			
Intergovernmental	478,823			5,226	
Other	43,451				13
Due from other funds	42,609	25,788	1,500		
Due from component units	1,926				
Inventories	18,570				
Loans and notes receivable					27,962
Other assets	611				
<b>Total assets</b>	<b>\$ 1,140,594</b>	<b>\$ 339,759</b>	<b>\$ 41,075</b>	<b>\$ 8,396</b>	<b>\$ 31,393</b>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 104,341	\$ 5,617	\$ 630	\$ 2,126	
Intergovernmental payables	12,865	49,341	309	1,406	
Due to other funds	56,699	64,588			
Due to component units	5,344			74	
Deferred revenues		85,683		4,790	
<b>Total liabilities</b>	<b>179,249</b>	<b>205,229</b>	<b>939</b>	<b>8,396</b>	
<b>FUND BALANCES</b>					
Reserved for:					
Encumbrances	764,499	24	39,809	49,011	\$ 551
Long-term portion of:					
Intergovernmental and other receivables	454,700				
Loans and notes receivable					26,019
Inventories	18,570				
Other	611				
Unreserved, undesignated (deficits)	(277,035)	134,506	327	(49,011)	4,823
<b>Total fund balances</b>	<b>961,345</b>	<b>134,530</b>	<b>40,136</b>	<b>--</b>	<b>31,393</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,140,594</b>	<b>\$ 339,759</b>	<b>\$ 41,075</b>	<b>\$ 8,396</b>	<b>\$ 31,393</b>

Public Transportation	State Construction Account	Total
\$ 76	\$ 311,314	\$ 1,034,958
		191,170
		484,049
	1,297	44,761
38,518	47,305	155,720
		1,926
		18,570
		27,962
		611
\$ 38,594	\$ 359,916	\$ 1,959,727
	\$ 60,883	\$ 173,597
\$ 38,594		102,515
		121,287
		5,418
		90,473
38,594	60,883	493,290
	454,682	1,308,576
		454,700
		26,019
		18,570
		611
	(155,649)	(342,039)
	299,033	1,466,437
\$ 38,594	\$ 359,916	\$ 1,959,727



State of Illinois

**Combining Statement of Revenues, Expenditures, Other Sources and Uses of  
Financial Resources and Changes in Fund Balances - Special Revenue Funds  
Department of Transportation**

For the Year Ended June 30, 1999 (Expressed in Thousands)

	Road	Motor Fuel Tax	Grade Crossing Protection	Federal/Local Airport	State Rail Freight Loan Repayment
<b>REVENUES</b>					
Motor fuel taxes		\$ 1,241,246			
Federal government	\$ 962,777	131		\$ 63,788	
Licenses and fees	470,292	729			
Interest and other investment income	20,904				\$ 842
Other	66,615			14,397	
<b>Total revenues</b>	<b>1,520,588</b>	<b>1,242,106</b>		<b>78,185</b>	<b>842</b>
<b>EXPENDITURES</b>					
Current:					
General government	201,702	66,255			
Transportation	1,095,776	507,021	\$ 16,936	80,753	
Public protection and justice	52,733				
Debt service:					
Principal	1,261	180			
Interest	368	5			
Capital outlays	29,487	418			
<b>Total expenditures</b>	<b>1,381,327</b>	<b>573,879</b>	<b>16,936</b>	<b>80,753</b>	
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>139,261</b>	<b>668,227</b>	<b>(16,936)</b>	<b>(2,568)</b>	<b>842</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>					
Operating transfers-in	441,114	100,803	18,000	2,677	3,241
Operating transfers-out	(211,348)	(779,302)	(1,500)	(109)	
Operating transfers to component units	(337)				
Capital lease financing	190				
<b>Net other sources (uses) of financial resources</b>	<b>229,619</b>	<b>(678,499)</b>	<b>16,500</b>	<b>2,568</b>	<b>3,241</b>
<b>Excess (deficiency) of revenues over (under) expenditures and net other sources (uses) of financial resources</b>	<b>368,880</b>	<b>(10,272)</b>	<b>(436)</b>	<b>--</b>	<b>4,083</b>
Fund balances, July 1, 1998	592,465	144,802	40,572	--	27,310
<b>FUND BALANCES, JUNE 30, 1999</b>	<b>\$ 961,345</b>	<b>\$ 134,530</b>	<b>\$ 40,136</b>	<b>\$ --</b>	<b>\$ 31,393</b>

Public Transportation	State Construction Account	Total
		\$ 1,241,246
		1,026,896
	\$ 299,372	770,393
	13,039	34,785
		81,012
	312,411	3,154,132
		267,957
\$ 189,830	539,883	2,430,199
		52,733
		1,441
		373
		29,905
189,830	539,883	2,782,608
(189,830)	(227,472)	371,524
189,830	290,259	1,045,924
		(992,259)
		(337)
		190
189,830	290,259	53,518
--	62,787	425,042
--	236,246	1,041,395
\$ --	\$ 299,033	\$ 1,466,437



State of Illinois

Combining Balance Sheet - Special Revenue Funds

Other Code Departments

June 30, 1999 (Expressed in Thousands)

	Children and Family Services	Employment Security Title III Social Security and Employment Service	Financial Institutions State Pensions	Public Aid Child Support Enforcement Trust	Public Health Public Health Services	Total
<b>ASSETS</b>						
Cash and cash equivalents	\$ 46,318	\$ 27,369	\$ 72,557	\$ 25,297	\$ 802	\$ 172,343
Receivables, net:						
Intergovernmental	67,289	14,050		10,064	5,719	97,122
Other				82,695	522	83,217
Due from other funds	535	8,909		62	526	10,032
Due from component units	21					21
Inventories		1,730			6,124	7,854
Other assets		415				415
<b>Total assets</b>	<b>\$ 114,163</b>	<b>\$ 52,473</b>	<b>\$ 72,557</b>	<b>\$ 118,118</b>	<b>\$ 13,693</b>	<b>\$ 371,004</b>
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities	\$ 63,179	\$ 7,863	\$ 169	\$ 9,738	\$ 4,013	\$ 84,962
Intergovernmental payables		261		31,172	1,871	33,304
Due to other funds	133	4,386	62	2,645	119	7,345
Due to component units	910				673	1,583
Deferred revenues					26	26
<b>Total liabilities</b>	<b>64,222</b>	<b>12,510</b>	<b>231</b>	<b>43,555</b>	<b>6,702</b>	<b>127,220</b>
<b>FUND BALANCES</b>						
Reserved for:						
Encumbrances		2,434	407	522	629	3,992
Inventories		1,730			6,124	7,854
Unreserved, undesignated	49,941	35,799	71,919	74,041	238	231,938
<b>Total fund balances</b>	<b>49,941</b>	<b>39,963</b>	<b>72,326</b>	<b>74,563</b>	<b>6,991</b>	<b>243,784</b>
<b>Total liabilities and fund balances</b>	<b>\$ 114,163</b>	<b>\$ 52,473</b>	<b>\$ 72,557</b>	<b>\$ 118,118</b>	<b>\$ 13,693</b>	<b>\$ 371,004</b>

State of Illinois

Combining Statement of Revenues, Expenditures, Other Sources and Uses of  
Financial Resources and Changes in Fund Balances - Special Revenue Funds  
Other Code Departments

For the Year Ended June 30, 1999 (Expressed in Thousands)

	Children and Family Services	Employment Security	Financial Institutions	Public Aid	Public Health	
	Childrens' Services	Title III Social Security and Employment Service	State Pensions	Child Support Enforcement Trust	Public Health Services	Total
<b>REVENUES</b>						
Federal government	\$ 134,834	\$ 165,788		\$ 40,686	\$ 46,893	\$ 388,201
Licenses and fees				81	10	91
Other	8,134	120	\$ 74,652	167,807		250,713
<b>Total revenues</b>	<b>142,968</b>	<b>165,908</b>	<b>74,652</b>	<b>208,574</b>	<b>46,903</b>	<b>639,005</b>
<b>EXPENDITURES</b>						
Current:						
Health and social services	436,447				40,627	477,074
Education			237			237
General government			63,330	254		63,584
Social assistance		169,406		235,900		405,306
Public protection and justice			9,555			9,555
Debt service:						
Principal				17	4	21
Capital outlays	1,158	4,259	269	1,595	1,503	8,784
<b>Total expenditures</b>	<b>437,605</b>	<b>173,665</b>	<b>73,391</b>	<b>237,766</b>	<b>42,134</b>	<b>964,561</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(294,637)</b>	<b>(7,757)</b>	<b>1,261</b>	<b>(29,192)</b>	<b>4,769</b>	<b>(325,556)</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>						
Operating transfers-in	262,932	9,257			2,202	274,391
Operating transfers-out	(16,100)					(16,100)
Operating transfers to component units	(630)		(12,125)			(12,755)
Capital lease financing					20	20
<b>Net other sources (uses) of financial resources</b>	<b>246,202</b>	<b>9,257</b>	<b>(12,125)</b>		<b>2,222</b>	<b>245,556</b>
<b>Excess (deficiency) of revenues over (under) expenditures and net other sources (uses) of financial resources</b>	<b>(48,435)</b>	<b>1,500</b>	<b>(10,864)</b>	<b>(29,192)</b>	<b>6,991</b>	<b>(80,000)</b>
Fund balances, July 1, 1998	98,376	38,463	83,190	103,755	--	323,784
<b>FUND BALANCES, JUNE 30, 1999</b>	<b>\$ 49,941</b>	<b>\$ 39,963</b>	<b>\$ 72,326</b>	<b>\$ 74,563</b>	<b>\$ 6,991</b>	<b>\$ 243,784</b>



**State of Illinois**

**Combining Balance Sheet - Special Revenue Funds**

**Environmental Protection Agency**

June 30, 1999 (Expressed in Thousands)

	Water Revolving	Vehicle Inspection	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 143,794	\$ 13,181	\$ 156,975
Receivables, net:			
Intergovernmental	775		775
Other	532		532
Due from other funds		2,749	2,749
Loans and notes receivable	719,320		719,320
<b>Total assets</b>	<b>\$ 864,421</b>	<b>\$ 15,930</b>	<b>\$ 880,351</b>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 119	\$ 3,687	\$ 3,806
Intergovernmental payables	23,647	3	23,650
Due to other funds	46	40	86
Due to component units	11		11
<b>Total liabilities</b>	<b>23,823</b>	<b>3,730</b>	<b>27,553</b>
<b>FUND BALANCES</b>			
Reserved for:			
Encumbrances	93,104	72	93,176
Long-term portion of loans and notes receivable	662,076		662,076
Unreserved, undesignated	85,418	12,128	97,546
<b>Total fund balances</b>	<b>840,598</b>	<b>12,200</b>	<b>852,798</b>
<b>Total liabilities and fund balances</b>	<b>\$ 864,421</b>	<b>\$ 15,930</b>	<b>\$ 880,351</b>

**State of Illinois**

**Combining Statement of Revenues, Expenditures, Other Sources and Uses of  
Financial Resources and Changes in Fund Balances - Special Revenue Funds  
Environmental Protection Agency**

For the Year Ended June 30, 1999 (Expressed in Thousands)

	Water Revolving	Vehicle Inspection	Total
<b>REVENUES</b>			
Federal government	\$ 74,815		\$ 74,815
Licenses and fees		\$ 19	19
Interest and other investment income	17,291		17,291
Other	8,617	1	8,618
<b>Total revenues</b>	<b>100,723</b>	<b>20</b>	<b>100,743</b>
<b>EXPENDITURES</b>			
Current:			
General government		1,909	1,909
Natural resources and recreation	14,504	46,851	61,355
Debt service:			
Principal	9	9	18
Interest	1		1
Capital outlays	217	140	357
<b>Total expenditures</b>	<b>14,731</b>	<b>48,909</b>	<b>63,640</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>85,992</b>	<b>(48,889)</b>	<b>37,103</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>			
Operating transfers-in	22,000	47,871	69,871
Operating transfers-out	(507)	(100)	(607)
<b>Net other sources (uses) of financial resources</b>	<b>21,493</b>	<b>47,771</b>	<b>69,264</b>
<b>Excess (deficiency) of revenues over (under) expenditures and net other sources (uses) of financial resources</b>	<b>107,485</b>	<b>(1,118)</b>	<b>106,367</b>
Fund balances, July 1, 1998	733,113	13,318	746,431
<b>FUND BALANCES, JUNE 30, 1999</b>	<b>\$ 840,598</b>	<b>\$ 12,200</b>	<b>\$ 852,798</b>



State of Illinois

Combining Balance Sheet - Special Revenue Funds

State Board of Education

June 30, 1999 (Expressed in Thousands)

	Drivers Education	Special Education Medicaid Matching	Federal Department of Agriculture	Federal Department of Education	School Technology H Loan Program Fund	Total
<b>ASSETS</b>						
Cash and cash equivalents	\$ 1,672	\$ 44,254	\$ 310	\$ 405	\$ 20,261	\$ 66,902
Receivables, net:						
Intergovernmental	240		49,020	62,094	9,816	121,170
Other					76	76
Due from other funds	2,069					2,069
Inventories			973			973
<b>Total assets</b>	<b>\$ 3,981</b>	<b>\$ 44,254</b>	<b>\$ 50,303</b>	<b>\$ 62,499</b>	<b>\$ 30,153</b>	<b>\$ 191,190</b>
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities	\$ 11		\$ 164	\$ 564		\$ 739
Intergovernmental payables	15,750	\$ 26,794	49,240	60,224		152,008
Due to other funds	8		1,031	1,467		2,506
Due to component units				244		244
<b>Total liabilities</b>	<b>15,769</b>	<b>26,794</b>	<b>50,435</b>	<b>62,499</b>		<b>155,497</b>
<b>FUND BALANCES (DEFICITS)</b>						
Reserved for:						
Encumbrances	2		143			145
Inventories			973			973
Unreserved, undesignated (deficits)	(11,790)	17,460	(1,248)		\$ 30,153	34,575
<b>Total fund balances (deficits)</b>	<b>(11,788)</b>	<b>17,460</b>	<b>(132)</b>		<b>30,153</b>	<b>35,693</b>
<b>Total liabilities and fund balances</b>	<b>\$ 3,981</b>	<b>\$ 44,254</b>	<b>\$ 50,303</b>	<b>\$ 62,499</b>	<b>\$ 30,153</b>	<b>\$ 191,190</b>

**State of Illinois**

**Combining Statement of Revenues, Expenditures, Other Sources and Uses of  
Financial Resources and Changes in Fund Balances - Special Revenue Funds  
State Board of Education**

For the Year Ended June 30, 1999 (Expressed in Thousands)

	Drivers Education	Special Education Medicaid Matching	Federal Department of Agriculture	Federal Department of Education	School Technology H Loan Program Fund	Total
<b>REVENUES</b>						
Federal government		\$ 188,914	\$ 334,289	\$ 665,538		\$ 1,188,741
Licenses and fees	\$ 11,730					11,730
Interest and other investment income					\$ 315	315
Other	6,233			1	10,234	16,468
<b>Total revenues</b>	<b>17,963</b>	<b>188,914</b>	<b>334,289</b>	<b>665,539</b>	<b>10,549</b>	<b>1,217,254</b>
<b>EXPENDITURES</b>						
Current:						
Education	16,532	170,008	331,167	656,479	10,396	1,184,582
Debt service:						
Principal			14	14		28
Interest			1	1		2
Capital outlays	24		300	521		845
<b>Total expenditures</b>	<b>16,556</b>	<b>170,008</b>	<b>331,482</b>	<b>657,015</b>	<b>10,396</b>	<b>1,185,457</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>1,407</b>	<b>18,906</b>	<b>2,807</b>	<b>8,524</b>	<b>153</b>	<b>31,797</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>						
Operating transfers-in				200	30,000	30,200
Operating transfers-out		(1,446)	(4,145)	(6,302)		(11,893)
Operating transfers to component units				(2,422)		(2,422)
<b>Net other sources (uses) of financial resources</b>		<b>(1,446)</b>	<b>(4,145)</b>	<b>(8,524)</b>	<b>30,000</b>	<b>15,885</b>
<b>Excess (deficiency) of revenues over (under) expenditures and net other sources (uses) of financial resources</b>	<b>1,407</b>	<b>17,460</b>	<b>(1,338)</b>	<b>--</b>	<b>30,153</b>	<b>47,682</b>
Fund balances (deficit), July 1, 1998	(13,195)	--	1,206	--	--	(11,989)
<b>FUND BALANCES (DEFICITS), JUNE 30, 1999</b>	<b>\$ (11,788)</b>	<b>\$ 17,460</b>	<b>\$ (132)</b>	<b>\$ --</b>	<b>\$ 30,153</b>	<b>\$ 35,693</b>



**State of Illinois**

**Combining Balance Sheet - Special Revenue Funds**

**Other Agencies, Boards and Authorities**

June 30, 1999 (Expressed in Thousands)

	Capital Development Board	Metropolitan Fair and Exposition Authority McCormick Place Expansion Project	State Fire Marshal Underground Storage Tank	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 73,452		\$ 50,071	\$ 123,523
Receivables, net:				
Taxes	3,740		5,619	9,359
Other			81	81
<b>Total assets</b>	<b>\$ 77,192</b>	<b>\$ --</b>	<b>\$ 55,771</b>	<b>\$ 132,963</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 1,050		\$ 335	\$ 1,385
Intergovernmental payables			4	4
Due to other funds	5		20	25
Deferred revenues	226		117	343
<b>Total liabilities</b>	<b>1,281</b>		<b>476</b>	<b>1,757</b>
<b>FUND BALANCES</b>				
Reserved for encumbrances	60,521		48	60,569
Unreserved, undesignated	15,390		55,247	70,637
<b>Total fund balances</b>	<b>75,911</b>		<b>55,295</b>	<b>131,206</b>
<b>Total liabilities and fund balances</b>	<b>\$ 77,192</b>	<b>\$ --</b>	<b>\$ 55,771</b>	<b>\$ 132,963</b>

**State of Illinois**

**Combining Statement of Revenues, Expenditures, Other Sources and Uses of  
Financial Resources and Changes in Fund Balances - Special Revenue Funds  
Other Agencies, Boards and Authorities**

For the Year Ended June 30, 1999 (Expressed in Thousands)

	Capital Development Board	Metropolitan Fair and Exposition Authority McCormick Place Expansion Project	State Fire Marshal  Underground Storage Tank	Total
<b>REVENUES</b>				
Motor fuel taxes			\$ 64,992	\$ 64,992
Public utility taxes	\$ 102,284			102,284
Licenses and fees			542	542
Other		\$ 68,277	356	68,633
<b>Total revenues</b>	<b>102,284</b>	<b>68,277</b>	<b>65,890</b>	<b>236,451</b>
<b>EXPENDITURES</b>				
Current:				
Education	12,154			12,154
General government	342	68,277	643	69,262
Public protection and justice			2,802	2,802
Natural resources and recreation			30,292	30,292
Capital outlays	48		178	226
<b>Total expenditures</b>	<b>12,544</b>	<b>68,277</b>	<b>33,915</b>	<b>114,736</b>
<b>Excess of revenues over expenditures</b>	<b>89,740</b>	<b>--</b>	<b>31,975</b>	<b>121,715</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>				
Operating transfers-out	(39,855)		(14,122)	(53,977)
Other (uses) of financial resources	(39,855)		(14,122)	(53,977)
<b>Excess of revenues over expenditures and other (uses) of financial resources</b>	<b>49,885</b>	<b>--</b>	<b>17,853</b>	<b>67,738</b>
Fund balances, July 1, 1998	26,026	--	37,442	63,468
<b>FUND BALANCES, JUNE 30, 1999</b>	<b>\$ 75,911</b>	<b>\$ --</b>	<b>\$ 55,295</b>	<b>\$ 131,206</b>



**This Page Intentionally Left Blank**

## DEBT SERVICE FUNDS

The Debt Service Funds are maintained to account for resources obtained and accumulated to pay interest and principal on general long-term obligations.





## SIGNIFICANT DEBT SERVICE FUNDS DESCRIPTIONS

### **Treasurer**

General Obligation Bond Retirement and Interest Fund--to account for payments of principal and interest related to general obligation bonds. These bonds provide financing for the protection of the environment within the State; the acquisition, construction, reconstruction, extension, and improvement of highways; the acquisition, construction, reconstruction, and improvement of capital projects; the construction of facilities leased back to the State; and the development of mass transportation and aviation systems within the State.

### **Department of Commerce and Community Affairs**

Illinois Civic Center Bond Retirement and Interest Fund--to account for the payment of principal and interest upon bonds issued to finance the construction of local civic centers. Funding consists of transfers from the Metropolitan Exposition Auditorium and Office Building Fund and investment income.

### **Bureau of the Budget**

Build Illinois Bond Retirement and Interest Fund--to account for the payment of principal and interest upon bonds issued to finance improvements related to existing or planned scientific research, manufacturing or industrial development or expansion in Illinois. Funding consists of transfers from the Build Illinois Fund and investment income.

State of Illinois

Combining Balance Sheet  
Debt Service Funds

June 30, 1999 (Expressed in Thousands)

	Treasurer General Obligation BR&I	Commerce and Community Affairs Illinois Civic Center BR&I	Bureau of the Budget Build Illinois BR&I	Other	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 445,246	\$ 12,289	\$ 273,212	\$ 9,688	\$ 740,435
Investments		8,192	52,542	1,883	62,617
Other receivables	378	76	407	7	868
Due from other funds				23	23
Loans and notes receivable	25,500				25,500
<b>Total assets</b>	<b>\$ 471,124</b>	<b>\$ 20,557</b>	<b>\$ 326,161</b>	<b>\$ 11,601</b>	<b>\$ 829,443</b>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities			\$ 19		\$ 19
Due to other funds				\$ 23	23
Due to component units				884	884
Other liabilities		\$ 201			201
<b>Total liabilities</b>		<b>201</b>	<b>19</b>	<b>907</b>	<b>1,127</b>
<b>FUND BALANCES</b>					
Reserved for:					
Long-term portion of loans and notes receivable	\$ 25,500				25,500
Unreserved, designated for debt service	445,624	20,356	326,142	10,694	802,816
<b>Total fund balances</b>	<b>471,124</b>	<b>20,356</b>	<b>326,142</b>	<b>10,694</b>	<b>828,316</b>
<b>Total liabilities and fund balances</b>	<b>\$ 471,124</b>	<b>\$ 20,557</b>	<b>\$ 326,161</b>	<b>\$ 11,601</b>	<b>\$ 829,443</b>



**State of Illinois**

**Combining Statement of Revenues, Expenditures, Other Sources and Uses of  
Financial Resources and Changes in Fund Balances  
Debt Service Funds**

For the Year Ended June 30, 1999 (Expressed in Thousands)

	Treasurer General Obligation BR&I	Commerce and Community Affairs Illinois Civic Center BR&I	Bureau of the Budget Build Illinois BR&I	Other	Total
<b>REVENUES</b>					
Federal government	\$ 127				\$ 127
Licenses and fees	201				201
Interest and other investment income	17,360	\$ 2,591	\$ 17,156	\$ 377	37,484
Other	718			134	852
<b>Total revenues</b>	<b>18,406</b>	<b>2,591</b>	<b>17,156</b>	<b>511</b>	<b>38,664</b>
<b>EXPENDITURES</b>					
Current:					
Health and social services				597	597
General government		6,295	72	4	6,371
Natural resources and recreation				1,413	1,413
Debt service:					
Principal	422,975	4,435	65,665	4,840	497,915
Interest	267,771	11,834	90,404	7,429	377,438
<b>Total expenditures</b>	<b>690,746</b>	<b>22,564</b>	<b>156,141</b>	<b>14,283</b>	<b>883,734</b>
(Deficiency) of revenues (under) expenditures	(672,340)	(19,973)	(138,985)	(13,772)	(845,070)
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>					
Proceeds from general/special obligation bond refunding issues	173,179				173,179
Operating transfers-in	674,455	14,436	226,061	15,576	930,528
Operating transfers-out				(1,828)	(1,828)
Payment to refunded bond escrow agent	(173,179)				(173,179)
<b>Net other sources (uses) of financial resources</b>	<b>674,455</b>	<b>14,436</b>	<b>226,061</b>	<b>13,748</b>	<b>928,700</b>
(Deficiency) of revenues (under) expenditures and net other sources (uses) of financial resources	2,115	(5,537)	87,076	(24)	83,630
Fund balances, July 1, 1998	469,009	25,893	239,066	10,718	744,686
<b>FUND BALANCES, JUNE 30, 1999</b>	<b>\$ 471,124</b>	<b>\$ 20,356</b>	<b>\$ 326,142</b>	<b>\$ 10,694</b>	<b>\$ 828,316</b>

**This Page Intentionally Left Blank**



# **CAPITAL PROJECTS FUNDS**

The Capital Projects Funds are maintained to account for the acquisition and/or construction of major capital facilities.

## SIGNIFICANT CAPITAL PROJECTS FUNDS DESCRIPTIONS

### **Department of Central Management Services**

ESCO COP Capital Projects Fund--to account for proceeds from issuance of certificates of participation for energy service agreements at various sites within the State. Also to receive lease payments from other State agencies for the agreements.

EPA COP Capital Projects Fund--to account for proceeds from the issuance of certificates of participation for the purchase and renovation of a building for use by the Environmental Protection Agency.

### **Department of Commerce and Community Affairs**

Build Illinois Bond Fund--to account for the proceeds of bond sales from the Build Illinois Bond Program. The proceeds are used to finance improvements related to scientific research, manufacturing, and industrial development or expansion.

### **Department of Natural Resources**

Conservation 2000 Projects Fund--to receive proceeds from general obligation bonds from the Capital Development Board and other monies as may be provided by law. Monies in the fund are to be used for purposes relating to natural resource protection, recreation, tourism, and compatible agricultural and economic development activities.

### **Department of Transportation**

Transportation Bond Series B Fund--to provide funds through the sale of bond issues for mass transportation and aviation purposes including, but not limited to, the acquisition of mass transportation equipment, including rail and bus, and other equipment for counties under the Regional Transportation Authority.

### **Capital Development Board**

Capital Development Fund--to account for proceeds from bond issues and disbursements for capital development projects within the State.

Capital Development Board Contributory Trust Fund--to account for local, state, and federal funding for the construction and remodeling of buildings, and the purchase of land and equipment in connection with the various contributing educational institutions, State departments and agencies as authorized by law.

### **Environmental Protection Agency**

Anti-Pollution Fund--to account for proceeds from bond issues and disbursements for the planning, financing, and construction of municipal sewage treatment works and solid waste disposal facilities.



**State of Illinois**

**Combining Balance Sheet**

**Capital Projects Funds**

June 30, 1999 (Expressed in Thousands)

	Departments				Agencies, Boards and Authorities	
	Central Management Services	Commerce and Community Affairs	Natural Resources	Transportation	Capital Development Board	Environmental Protection Agency
		Build Illinois Bond	Conservation 2000 Projects	Transportation Bond Series B		Anti- Pollution
<b>ASSETS</b>						
Cash and cash equivalents	\$ 533	\$ 68,148	\$ 11,014	\$ 39,080	\$ 418,194	\$ 3,183
Intergovernmental receivables					1,411	
Due from other funds						200
Due from component units	6,728					
<b>Total assets</b>	<b>\$ 7,261</b>	<b>\$ 68,148</b>	<b>\$ 11,014</b>	<b>\$ 39,080</b>	<b>\$ 419,605</b>	<b>\$ 3,383</b>
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities		\$ 388	\$ 68	\$ 449	\$ 53,756	
Intergovernmental payables				165	13,427	
Due to other funds					1,920	
Due to component units					596	
Deferred revenues					8,145	
Other liabilities					298	
<b>Total liabilities</b>		<b>388</b>	<b>68</b>	<b>614</b>	<b>78,142</b>	
<b>FUND BALANCES</b>						
Reserved for encumbrances		5,117	3,651	140,163	477,432	
Unreserved, undesignated (deficits)	\$ 7,261	62,643	7,295	(101,697)	(135,969)	\$ 3,383
<b>Total fund balances</b>	<b>7,261</b>	<b>67,760</b>	<b>10,946</b>	<b>38,466</b>	<b>341,463</b>	<b>3,383</b>
<b>Total liabilities and fund balances</b>	<b>\$ 7,261</b>	<b>\$ 68,148</b>	<b>\$ 11,014</b>	<b>\$ 39,080</b>	<b>\$ 419,605</b>	<b>\$ 3,383</b>

Other	Total
\$ 10,485	\$ 550,637
	1,411
	200
	6,728
\$ 10,485	\$ 558,976

	\$ 54,661
	13,592
	1,920
	596
	8,145
	298
	79,212

	626,363
\$ 10,485	(146,599)
10,485	479,764
\$ 10,485	\$ 558,976



State of Illinois

Combining Statement of Revenues, Expenditures, Other Sources and Uses of  
Financial Resources and Changes in Fund Balances  
Capital Projects Funds

For the Year Ended June 30, 1999 (Expressed in Thousands)

	Departments				Agencies, Boards and Authorities	
	Central Management Services	Commerce and Community Affairs	Natural Resources	Transportation	Capital Development Board	Environmental Protection Agency
		Build Illinois Bond	Conservation 2000 Projects	Transportation Bond Series B		Anti-Pollution
<b>REVENUES</b>						
Federal government					\$ 2,887	
Interest and other investment income	\$ 375				2	
Other	127				7,537	
Total revenues	502				10,426	
<b>EXPENDITURES</b>						
Current:						
Health and social services						
Education	\$ 106				195,450	
General government	78	\$ 2,180			51,641	
Transportation	119		\$ 33,827		606	
Natural resources and recreation	9,727	166			4,408	
Debt service:						
Principal					2	
Interest					15	
Capital outlays	198	363	1,935		167,110	
Total expenditures	198	10,393	4,281	33,827	419,232	
Excess (deficiency) of revenues over (under) expenditures	304	(10,393)	(4,281)	(33,827)	(408,806)	
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>						
Proceeds from general/special obligation bond issues		60,497		49,678	540,390	\$ 4,988
Operating transfers-in	1,203		7,000		80,053	
Operating transfers from component units					4	
Operating transfers-out	(2,414)			(2,697)	(87,092)	(22,000)
Operating transfers to component units		(1,213)			(51,929)	
Net other sources (uses) of financial resources	(1,211)	59,284	7,000	46,981	481,426	(17,012)
Excess (deficiency) of revenues over (under) expenditures and net other sources (uses) of financial resources	(907)	48,891	2,719	13,154	72,620	(17,012)
Fund balances, July 1, 1998	8,168	18,869	8,227	25,312	268,843	20,395
FUND BALANCES, JUNE 30, 1999	\$ 7,261	\$ 67,760	\$ 10,946	\$ 38,466	\$ 341,463	\$ 3,383

Other	Total
	\$ 2,887
	377
\$ 466	6,130
466	11,394

	195,556
2,863	56,762
	34,552
	14,301
	2
	15
280	169,886
3,143	471,074

(2,677)	(459,680)
---------	-----------

5,986	661,539
2	88,258
	4
	(114,203)
(175)	(53,317)

5,813	582,281
-------	---------

3,136	122,601
-------	---------

7,349	357,163
-------	---------

\$ 10,485	\$ 479,764
-----------	------------



*State of Illinois*

**Combining Balance Sheet - Capital Projects Funds**

**Department of Central Management Services**

June 30, 1999 (Expressed in Thousands)

	Certificates of Participation			Total
	ESCO Capital Projects	DPA Capital Project	EPA Capital Project	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 18	\$ 2	\$ 513	\$ 533
Due from component units	6,728			6,728
<b>Total assets</b>	<b>\$ 6,746</b>	<b>\$ 2</b>	<b>\$ 513</b>	<b>\$ 7,261</b>
<b>FUND BALANCES</b>				
Unreserved, undesignated	\$ 6,746	\$ 2	\$ 513	\$ 7,261
<b>Total fund balances</b>	<b>6,746</b>	<b>2</b>	<b>513</b>	<b>7,261</b>
<b>Total fund balances</b>	<b>\$ 6,746</b>	<b>\$ 2</b>	<b>\$ 513</b>	<b>\$ 7,261</b>

**State of Illinois**

**Combining Statement of Revenues, Expenditures, Other Sources and Uses of  
Financial Resources and Changes in Fund Balances - Capital Projects Funds  
Department of Central Management Services**

For the Year Ended June 30, 1999 (Expressed in Thousands)

	Certificates of Participation			
	ESCO Capital Projects	DPA Capital Project	EPA Capital Project	Total
<b>REVENUES</b>				
Interest and other investment income	\$ 350		\$ 25	\$ 375
Other	127			127
<b>Total revenues</b>	<b>477</b>		<b>25</b>	<b>502</b>
<b>EXPENDITURES</b>				
Capital outlays			198	198
<b>Total expenditures</b>			<b>198</b>	<b>198</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>477</b>		<b>(173)</b>	<b>304</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>				
Operating transfers-in	1,203			1,203
Operating transfers-out	(2,414)			(2,414)
<b>Net other sources (uses) of financial resources</b>	<b>(1,211)</b>			<b>(1,211)</b>
<b>Excess (deficiency) of revenues over (under) expenditures and net other sources (uses) of financial resources</b>	<b>(734)</b>		<b>(173)</b>	<b>(907)</b>
Fund balances, July 1, 1998	7,480	\$ 2	686	8,168
<b>FUND BALANCES, JUNE 30, 1999</b>	<b>\$ 6,746</b>	<b>\$ 2</b>	<b>\$ 513</b>	<b>\$ 7,261</b>



Combining Balance Sheet - Capital Projects Funds

Capital Development Board

June 30, 1999 (Expressed in Thousands)

	Capital Development	School Construction	CDB Contributory Trust	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 326,005	\$ 83,665	\$ 8,524	\$ 418,194
Intergovernmental receivables			1,411	1,411
<b>Total assets</b>	<b>\$ 326,005</b>	<b>\$ 83,665</b>	<b>\$ 9,935</b>	<b>\$ 419,605</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 51,966		\$ 1,790	\$ 53,756
Intergovernmental payables		\$ 13,427		13,427
Due to other funds	1,920			1,920
Due to component units	596			596
Deferred revenues			8,145	8,145
Other liabilities	298			298
<b>Total liabilities</b>	<b>54,780</b>	<b>13,427</b>	<b>9,935</b>	<b>78,142</b>
<b>FUND BALANCES</b>				
Reserved for encumbrances	336,909	122,768	17,755	477,432
Unreserved, undesignated (deficits)	(65,684)	(52,530)	(17,755)	(135,969)
<b>Total fund balances</b>	<b>271,225</b>	<b>70,238</b>	<b>--</b>	<b>341,463</b>
<b>Total liabilities and fund balances</b>	<b>\$ 326,005</b>	<b>\$ 83,665</b>	<b>\$ 9,935</b>	<b>\$ 419,605</b>

**State of Illinois**

**Combining Statement of Revenues, Expenditures, Other Sources and Uses of  
Financial Resources and Changes in Fund Balances - Capital Projects Funds  
Capital Development Board**

For the Year Ended June 30, 1999 (Expressed in Thousands)

	Capital Development	School Construction	CDB Contributory Trust	Total
<b>REVENUES</b>				
Federal government			\$ 2,887	\$ 2,887
Interest and other investment income	\$ 2			2
Other			7,537	7,537
<b>Total revenues</b>	<b>2</b>		<b>10,424</b>	<b>10,426</b>
<b>EXPENDITURES</b>				
Current:				
Health and social services				
Education	59,431	\$ 130,136	5,883	195,450
General government	50,210		1,431	51,641
Transportation	606			606
Natural resources and recreation	4,408			4,408
Debt service:				
Principal	2			2
Interest	15			15
Capital outlays	164,131		2,979	167,110
<b>Total expenditures</b>	<b>278,803</b>	<b>130,136</b>	<b>10,293</b>	<b>419,232</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(278,801)</b>	<b>(130,136)</b>	<b>131</b>	<b>(408,806)</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>				
Proceeds from general/special obligation bond issues	420,698	119,692		540,390
Operating transfers-in	53	80,000		80,053
Operating transfers from component units	4			4
Operating transfers-out	(87,042)		(50)	(87,092)
Operating transfers to component units	(51,848)		(81)	(51,929)
<b>Net other sources (uses) of financial resources</b>	<b>281,865</b>	<b>199,692</b>	<b>(131)</b>	<b>481,426</b>
<b>Excess (deficiency) of revenues over (under) expenditures and net other sources (uses) of financial resources</b>	<b>3,064</b>	<b>69,556</b>	<b>--</b>	<b>72,620</b>
Fund balances, July 1, 1998	268,161	682	--	268,843
<b>FUND BALANCES, JUNE 30, 1999</b>	<b>\$ 271,225</b>	<b>\$ 70,238</b>	<b>\$ --</b>	<b>\$ 341,463</b>



**This Page Intentionally Left Blank**

# ENTERPRISE FUNDS

Enterprise Funds are maintained to account for the operations where the intent of the State is to provide services to the general public in a manner similar to private business enterprises.



## SIGNIFICANT ENTERPRISE FUNDS DESCRIPTIONS

### Department of Central Management Services

Local Government Health Insurance Reserve Fund--to provide health and dental insurance to participating local government entities. Premiums are collected from units of local government and the insurance plan is administered by private companies.

Teacher Health Insurance Security Fund--to provide health benefits for the Teachers' Retirement System recipient and dependent beneficiaries.

### Department of Lottery

State Lottery Fund--to account for all receipts and expenses from the operation of the State Lottery. The net proceeds are transferred to the General Fund.

### Student Assistance Commission

Designated Account Purchase Program Fund--to account for bond proceeds used to purchase defaulted loans from lenders. Revenue is generated primarily from investment income and bond proceeds.

Illinois Opportunity Loan Program Fund--to account for a direct loan program that assists full-time Illinois college students.

State of Illinois

Combining Balance Sheet

Enterprise Funds

June 30, 1999 (Expressed in Thousands)

	Departments			Higher Education			
		Insurance	Lottery				
	Central Management Services	Office of the Special Deputy Receiver	State Lottery	Student Assistance Commission	Other	Total	
ASSETS							
Cash and cash equivalents	\$ 42,355	\$ 419	\$ 4,199	\$ 162,805	\$ 15,049	\$ 224,827	
Investments, short-term			17,528	72,434	17,214	107,176	
Receivables, net:							
Intergovernmental	221			8,994		9,215	
Other	4,024	1,797	8,058	25,828	7,010	46,717	
Due from other funds			72,925		186	73,111	
Inventories			3,877		1,662	5,539	
Prepaid expenses			95		240	335	
Restricted assets (\$96,297 cash equivalents)				96,297		96,297	
Total current assets	46,600	2,216	106,682	366,358	41,361	563,217	
Investments			60,412		5,119	65,531	
Loans and notes receivable				1,068,841	14,985	1,083,826	
Restricted assets				121,000		121,000	
Property, plant & equipment, net			1,161	368	2,511	4,040	
Total assets	\$ 46,600	\$ 2,216	\$ 168,255	\$ 1,556,567	\$ 63,976	\$ 1,837,614	
LIABILITIES							
Accounts payable and accrued liabilities	\$ 16,790	\$ 1,808	\$ 49,772	\$ 15,274	\$ 2,315	\$ 85,958	
Intergovernmental payables					6	6	
Due to other funds	655		1,693	1,250	3,674	7,272	
Deferred revenues			2,569		8,597	11,166	
Notes payable, current				100,394		100,394	
Revenue bonds payable, current				382,680	5,487	388,167	
Other liabilities	81	408	17,546		7,438	25,473	
Total current liabilities	17,526	2,216	71,580	499,598	27,517	618,437	
Notes payable				400		400	
Revenue bonds payable				901,950	14,243	916,193	
Other obligations			60,422	64,448	19	124,889	
Total liabilities	17,526	2,216	132,002	1,466,396	41,779	1,659,919	
FUND EQUITY							
Retained earnings:							
Reserved for:							
Revenue bond and note retirement				90,880	5,934	96,814	
Other			36,253			36,253	
Unreserved (deficit)	29,074			(709)	16,263	44,628	
Total fund equity	29,074		36,253	90,171	22,197	177,695	
Total liabilities and fund equity	\$ 46,600	\$ 2,216	\$ 168,255	\$ 1,556,567	\$ 63,976	\$ 1,837,614	



State of Illinois

**Combining Statement of Revenues, Expenses and  
Changes in Retained Earnings  
Enterprise Funds**

For the Year Ended June 30, 1999 (Expressed in Thousands)

	Central Management Services	Departments Insurance Office of the Special Deputy Receiver	Lottery State Lottery	Higher Education Student Assistance Commission	Other	Total
<b>OPERATING REVENUES</b>						
Charges for sales and services	\$ 158,105	\$ 62,000	\$ 1,474,209		\$ 62,730	\$ 1,757,044
Interest and other investment income				\$ 94,708	1,433	96,141
Other	1,252		26,939	1,434	674	30,299
<b>Total operating revenues</b>	<b>159,357</b>	<b>62,000</b>	<b>1,501,148</b>	<b>96,142</b>	<b>64,837</b>	<b>1,883,484</b>
<b>OPERATING EXPENSES</b>						
Cost of sales and services		7,685	98,447		48,081	154,213
Benefit payments and refunds	162,807				6	162,813
Prizes and claims			812,707			812,707
Interest				62,446		62,446
General and administrative	2,896	51,079	64,487	24,064	2,681	145,207
Depreciation			696	111	871	1,678
Other		3,236		263	7,895	11,394
<b>Total operating expenses</b>	<b>165,703</b>	<b>62,000</b>	<b>976,337</b>	<b>86,884</b>	<b>59,534</b>	<b>1,350,458</b>
<b>Operating income (loss)</b>	<b>(6,346)</b>	<b>-- --</b>	<b>524,811</b>	<b>9,258</b>	<b>5,303</b>	<b>533,026</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Interest and investment income	1,815		77	23	1,877	3,792
Interest expense				(21)	(1,560)	(1,581)
Other revenues					385	385
Other expenses					(458)	(458)
<b>Income (loss) before operating transfers</b>	<b>(4,531)</b>	<b>-- --</b>	<b>524,888</b>	<b>9,260</b>	<b>5,547</b>	<b>535,164</b>
<b>Operating transfers-out</b>			<b>(518,551)</b>	<b>(644)</b>	<b>(1,721)</b>	<b>(520,916)</b>
<b>Net income (loss)</b>	<b>(4,531)</b>	<b>-- --</b>	<b>6,337</b>	<b>8,616</b>	<b>3,826</b>	<b>14,248</b>
Retained earnings, July 1, 1998, as previously reported	33,605	-- --	29,916	81,555	21,080	166,156
Restatement of fund balances					(2,709)	(2,709)
Retained earnings, July 1, 1998, as restated	33,605	-- --	29,916	81,555	18,371	163,447
<b>RETAINED EARNINGS, JUNE 30, 1999</b>	<b>\$ 29,074</b>	<b>\$ -- --</b>	<b>\$ 36,253</b>	<b>\$ 90,171</b>	<b>\$ 22,197</b>	<b>\$ 177,695</b>

State of Illinois

Combining Statement of Cash Flows

Enterprise Funds

For the Year Ended June 30, 1999 (Expressed in Thousands)

	Departments			Higher Education		
	Central Management Services	Insurance Office of the Special Deputy Receiver	Lottery State Lottery	Student Assistance Commission	Other	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Cash received from sales and services	\$ 158,162	\$ 62,213	\$ 1,486,235	\$ 65,307	\$ 80,351	\$ 1,832,268
Cash payments to suppliers for goods and services	(160,300)	(62,171)	(75,977)	(19,709)	(31,111)	(349,268)
Cash payments to employees for services	(1,156)		(85,017)	(6,684)	(19,990)	(112,847)
Cash payments for lottery prizes			(784,851)			(784,851)
Cash receipts from other operating activities			2,167	180,975	7,076	190,218
Cash payments for other operating activities				(334,194)	(6,747)	(340,941)
Net cash provided (used) by operating activities	(3,294)	42	542,557	(114,305)	9,579	434,579
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Proceeds from sale of revenue bonds and other borrowing				270,289		270,289
Principal paid on revenue bonds and other borrowing				(96,435)		(96,435)
Interest paid on revenue bonds and other borrowing				(21)	(1,559)	(1,580)
Operating transfers-in from other funds			85			85
Operating transfers-out to other funds			(540,005)	(644)	(1,721)	(642,370)
Other noncapital financing activities					(23)	(23)
Net cash provided (used) by noncapital financing activities			(539,920)	173,189	(3,303)	(370,034)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Acquisition and construction of capital assets			(469)	(188)	(1,161)	(1,818)
Principal paid on bond maturities and equipment contracts					(5,192)	(5,192)
Other capital and related financing activities					19	19
Net cash (used) in capital and related financing activities			(469)	(188)	(6,334)	(6,991)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Purchase of investment securities				(273,474)	(14,625)	(288,099)
Proceeds from sale and maturities of investment securities				259,134	17,793	276,927
Interest and dividends on investments	1,815		77	19,562	1,766	23,220
Net cash provided by investing activities	1,815		77	5,222	4,934	12,048
<b>Net increase (decrease) in cash and cash equivalents</b>	(1,479)	42	2,245	63,918	4,876	69,602
Cash and cash equivalents, July 1, 1998	43,834	377	1,954	195,184	10,173	251,522
<b>CASH AND CASH EQUIVALENTS, JUNE 30, 1999</b>	\$ 42,355	\$ 419	\$ 4,199	\$ 259,102	\$ 15,049	\$ 321,124
<b>Reconciliation of cash and cash equivalents to the balance sheet:</b>						
Total cash and cash equivalents per the balance sheet	\$ 42,355	\$ 419	\$ 4,199	\$ 162,805	\$ 15,049	\$ 224,827
Add: restricted cash equivalents				96,297		96,297
<b>CASH AND CASH EQUIVALENTS, JUNE 30, 1999</b>	\$ 42,355	\$ 419	\$ 4,199	\$ 259,102	\$ 15,049	\$ 321,124
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>						
Operating income (loss)	\$ (6,346)	\$ --	\$ 524,811	\$ 9,258	\$ 5,303	\$ 533,026
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation			696	111	871	1,678
Provision for uncollectible accounts			(59)		(1,522)	(1,581)
Changes in assets and liabilities:						
(Increase) decrease in accounts receivable	(1,195)	213	12,139	(186,420)	4,885	(170,378)
(Increase) decrease in due from other funds					152	152
(Increase) decrease in inventories			(603)		117	(486)
(Increase) decrease in prepaid expenses			2		(43)	(41)
Increase (decrease) in accounts payable and accrued liabilities	3,928	(198)	5,626	(1,702)	(589)	7,065
Increase (decrease) in intergovernmental payables					6	6
Increase (decrease) in due to other funds	320				(149)	171
Increase (decrease) in deferred revenues			(55)		302	247
Increase (decrease) in other liabilities	(1)	27		64,448	379	64,853
Other					(133)	(133)
Total adjustments	3,052	42	17,746	(123,563)	4,276	(98,447)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	\$ (3,294)	\$ 42	\$ 542,557	\$ (114,305)	\$ 9,579	\$ 434,579



State of Illinois

Combining Balance Sheet - Enterprise Funds

Department of Central Management Services

June 30, 1999 (Expressed in Thousands)

	Local Government Health Insurance Reserve	Teacher Health Insurance Security	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,972	\$ 39,383	\$ 42,355
Receivables, net:			
Intergovernmental	221		221
Other	1,997	2,027	4,024
<b>Total assets</b>	<b>\$ 5,190</b>	<b>\$ 41,410</b>	<b>\$ 46,600</b>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 6,416	\$ 10,374	\$ 16,790
Due to other funds	9	646	655
Other liabilities	45	36	81
<b>Total liabilities</b>	<b>6,470</b>	<b>11,056</b>	<b>17,526</b>
<b>FUND EQUITY (DEFICIT)</b>			
Retained earnings, unreserved (deficit)	(1,280)	30,354	29,074
<b>Total fund equity (deficit)</b>	<b>(1,280)</b>	<b>30,354</b>	<b>29,074</b>
<b>Total liabilities and fund equity</b>	<b>\$ 5,190</b>	<b>\$ 41,410</b>	<b>\$ 46,600</b>

*State of Illinois*
**Combining Statement of Revenues, Expenses and  
Financial Resources and Changes in Fund Balances - Enterprise Funds  
Department of Central Management Services**

For the Year Ended June 30, 1999 (Expressed in Thousands)

	Local Government Health Insurance Reserve	Teacher Health Insurance Security	Total
<b>OPERATING REVENUES</b>			
Charges for sales and services	\$ 57,556	\$ 100,549	\$ 158,105
Other	57	1,195	1,252
<b>Total operating revenues</b>	<b>57,613</b>	<b>101,744</b>	<b>159,357</b>
<b>OPERATING EXPENSES</b>			
Benefit payments and refunds	58,428	104,379	162,807
General and administrative	489	2,407	2,896
<b>Total operating expenses</b>	<b>58,917</b>	<b>106,786</b>	<b>165,703</b>
<b>Operating (loss)</b>	<b>(1,304)</b>	<b>(5,042)</b>	<b>(6,346)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment income	97	1,718	1,815
<b>Net (loss)</b>	<b>(1,207)</b>	<b>(3,324)</b>	<b>(4,531)</b>
Retained earnings (deficit), July 1, 1998	(73)	33,678	33,605
<b>RETAINED EARNINGS (DEFICIT), JUNE 30, 1999</b>	<b>\$ (1,280)</b>	<b>\$ 30,354</b>	<b>\$ 29,074</b>



State of Illinois

Combining Statement of Cash Flows - Enterprise Funds

Department of Central Management Services

For the Year Ended June 30, 1999 (Expressed in Thousands)

	Local Government Health Insurance Reserve	Teacher Health Insurance Security	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from sales and services	\$ 56,532	\$ 101,630	\$ 158,162
Cash payments to suppliers for goods and services	(57,806)	(102,494)	(160,300)
Cash payments to employees for services	(506)	(650)	(1,156)
Net cash (used) by operating activities	(1,780)	(1,514)	(3,294)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and dividends on investments	97	1,718	1,815
Net cash provided by investing activities	97	1,718	1,815
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(1,683)</b>	<b>204</b>	<b>(1,479)</b>
Cash and cash equivalents, July 1, 1998	4,655	39,179	43,834
<b>CASH AND CASH EQUIVALENTS, JUNE 30, 1999</b>	<b>\$ 2,972</b>	<b>\$ 39,383</b>	<b>\$ 42,355</b>
<b>Reconciliation of operating (loss) to net cash provided (used) by operating activities:</b>			
<b>Operating (loss)</b>	<b>\$ (1,304)</b>	<b>\$ (5,042)</b>	<b>\$ (6,346)</b>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(1,081)	(114)	(1,195)
Increase (decrease) in accounts payable and accrued liabilities	623	3,305	3,928
Increase (decrease) in due to other funds	(16)	336	320
Increase (decrease) in other liabilities	(2)	1	(1)
Total adjustments	(476)	3,528	3,052
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ (1,780)</b>	<b>\$ (1,514)</b>	<b>\$ (3,294)</b>

**State of Illinois**

**Combining Balance Sheet - Enterprise Funds**

**Student Assistance Commission**

June 30, 1999 (Expressed in Thousands)

	Prepaid Tuition Fund	Operating	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 65,360	\$ 97,445	\$ 162,805
Investments, short-term		72,434	72,434
Receivables, net:			
Intergovernmental		8,994	8,994
Other	242	25,586	25,828
Restricted assets (\$96,297 cash equivalents)		96,297	96,297
<b>Total current assets</b>	<b>65,602</b>	<b>300,756</b>	<b>366,358</b>
Loans and notes receivable		1,068,841	1,068,841
Restricted assets		121,000	121,000
Property, plant & equipment, net	6	362	368
<b>Total assets</b>	<b>\$ 65,608</b>	<b>\$ 1,490,959</b>	<b>\$ 1,556,567</b>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 119	\$ 15,155	\$ 15,274
Due to other funds	1,250		1,250
Notes payable, current	100	100,294	100,394
Revenue bonds payable, current		382,680	382,680
<b>Total current liabilities</b>	<b>1,469</b>	<b>498,129</b>	<b>499,598</b>
Notes payable	400		400
Revenue bonds payable		901,950	901,950
Other obligations	64,448		64,448
<b>Total liabilities</b>	<b>66,317</b>	<b>1,400,079</b>	<b>1,466,396</b>
<b>FUND EQUITY (DEFICIT)</b>			
Retained earnings:			
Reserved for revenue bond and note retirement		90,880	90,880
Unreserved (deficit)	(709)		(709)
<b>Total fund equity (deficit)</b>	<b>(709)</b>	<b>90,880</b>	<b>90,171</b>
<b>Total liabilities and fund equity</b>	<b>\$ 65,608</b>	<b>\$ 1,490,959</b>	<b>\$ 1,556,567</b>



**State of Illinois**

**Combining Statement of Revenues, Expenses and  
Financial Resources and Changes in Fund Balances - Enterprise Funds  
Student Assistance Commission**

For the Year Ended June 30, 1999 (Expressed in Thousands)

	Prepaid Tuition Fund	Operating	Total
<b>OPERATING REVENUES</b>			
Interest and other investment income		\$ 94,708	\$ 94,708
Other	\$ 1,434		1,434
<b>Total operating revenues</b>	<b>1,434</b>	<b>94,708</b>	<b>96,142</b>
<b>OPERATING EXPENSES</b>			
Interest		62,446	62,446
General and administrative	1,804	22,260	24,064
Depreciation	1	110	111
Other	340	(77)	263
<b>Total operating expenses</b>	<b>2,145</b>	<b>84,739</b>	<b>86,884</b>
<b>Operating income (loss)</b>	<b>(711)</b>	<b>9,969</b>	<b>9,258</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment income	23		23
Interest expense	(21)		(21)
<b>Income (loss) before operating transfers</b>	<b>(709)</b>	<b>9,969</b>	<b>9,260</b>
<b>Operating transfers-out</b>		<b>(644)</b>	<b>(644)</b>
<b>Net income (loss)</b>	<b>(709)</b>	<b>9,325</b>	<b>8,616</b>
Retained earnings, July 1, 1998	--	81,555	81,555
<b>RETAINED EARNINGS (DEFICIT), JUNE 30, 1999</b>	<b>\$ (709)</b>	<b>\$ 90,880</b>	<b>\$ 90,171</b>

**State of Illinois**

**Combining Statement of Cash Flows - Enterprise Funds**

**Student Assistance Commission**

For the Year Ended June 30, 1999 (Expressed in Thousands)

	Prepaid Tuition Fund	Operating	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from sales and services	\$ 65,307	\$	\$ 65,307
Cash payments to suppliers for goods and services	(1,373)	(18,336)	(19,709)
Cash payments to employees for services	(319)	(6,365)	(6,684)
Cash receipts from other operating activities		180,975	180,975
Cash payments for other operating activities		(334,194)	(334,194)
Net cash provided (used) by operating activities	63,615	(177,920)	(114,305)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Proceeds from sale of revenue bonds and other borrowing	500	269,789	270,289
Principal paid on revenue bonds and other borrowing		(96,435)	(96,435)
Interest paid on revenue bonds and other borrowing	(21)		(21)
Operating transfers-out to other funds		(644)	(644)
Net cash provided by noncapital financing activities	479	172,710	173,189
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition and construction of capital assets	(7)	(181)	(188)
Net cash (used) in capital and related financing activities	(7)	(181)	(188)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of investment securities		(273,474)	(273,474)
Proceeds from sale and maturities of investment securities		259,134	259,134
Interest and dividends on investments	23	19,539	19,562
Net cash provided by investing activities	23	5,199	5,222
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>64,110</b>	<b>(192)</b>	<b>63,918</b>
Cash and cash equivalents, July 1, 1998	1,250	193,934	195,184
<b>CASH AND CASH EQUIVALENTS, JUNE 30, 1999</b>	<b>\$ 65,360</b>	<b>\$ 193,742</b>	<b>\$ 259,102</b>
<b>Reconciliation of cash and cash equivalents to the balance sheet:</b>			
Total cash and cash equivalents per the balance sheet	\$ 65,360	\$ 97,445	\$ 162,805
Add: restricted cash equivalents		96,297	96,297
<b>CASH AND CASH EQUIVALENTS, JUNE 30, 1999</b>	<b>\$ 65,360</b>	<b>\$ 193,742</b>	<b>\$ 259,102</b>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ (711)	\$ 9,969	\$ 9,258
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	1	110	111
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(242)	(186,178)	(186,420)
Increase (decrease) in accounts payable and accrued liabilities	119	(1,821)	(1,702)
Increase (decrease) in other liabilities	64,448		64,448
Total adjustments	64,326	(187,889)	(123,563)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 63,615</b>	<b>\$ (177,920)</b>	<b>\$ (114,305)</b>



# **INTERNAL SERVICE FUNDS**

Internal Service Funds are maintained to account for the operations of State agencies which render services to other State agencies or governmental units on a cost-reimbursement basis.

## SIGNIFICANT INTERNAL SERVICE FUNDS DESCRIPTIONS

### Central Management Services

State Garage Revolving Fund--to account for the operation and maintenance of State garages including the servicing and repair of all automotive equipment owned or controlled by the State. Revenues consist of charges to user agencies.

Statistical Services Revolving Fund--to account for the purchase, maintenance, and operation of electronic data processing and information devices used by State agencies. Revenues consist of charges from the user agencies.

Communications Revolving Fund--to account for the expenses related to telecommunications services for State agencies. Revenues consist of reimbursements from user agencies.

Health Insurance Reserve Fund--to account for the self-insurance medical and dental plan for State employees and qualified dependents. This fund records all contributions, appropriations, interest, dividends, and expenses related to the plan.

### Department of Corrections

Working Capital Revolving Fund--to account for the income and expenses associated with the industrial operations at the several State institutions.



State of Illinois

Combining Balance Sheet

Internal Service Funds

June 30, 1999 (Expressed in Thousands)

	Departments			
	Central Management Services	Corrections Working Capital Revolving	Other	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 93,700	\$ 11,962	\$ 2,299	\$ 107,961
Receivables, net:				
Intergovernmental	525	183	20	728
Other	1,810	388		2,198
Due from other funds	148,881	7,721	311	156,913
Due from component units	3,275		2	3,277
Inventories	1,501	10,869	165	12,535
Prepaid expenses	1,092	14		1,106
<b>Total current assets</b>	<b>250,784</b>	<b>31,137</b>	<b>2,797</b>	<b>284,718</b>
Restricted assets	108			108
Property, plant & equipment, net	33,048	8,303	189	41,540
<b>Total assets</b>	<b>\$ 283,940</b>	<b>\$ 39,440</b>	<b>\$ 2,986</b>	<b>\$ 326,366</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 145,382	\$ 2,994	\$ 174	\$ 148,550
Intergovernmental payables	241			241
Due to other funds	2,756	290	63	3,109
Due to component units	2			2
Deferred revenues	15,398			15,398
Other liabilities	9,113	1,769	164	11,046
<b>Total current liabilities</b>	<b>172,892</b>	<b>5,053</b>	<b>401</b>	<b>178,346</b>
Other obligations	2,912	10	1	2,923
<b>Total liabilities</b>	<b>175,804</b>	<b>5,063</b>	<b>402</b>	<b>181,269</b>
<b>FUND EQUITY</b>				
Contributed capital	9,292	9,253	702	19,247
Retained earnings, unreserved	98,844	25,124	1,882	125,850
<b>Total fund equity</b>	<b>108,136</b>	<b>34,377</b>	<b>2,584</b>	<b>145,097</b>
<b>Total liabilities and fund equity</b>	<b>\$ 283,940</b>	<b>\$ 39,440</b>	<b>\$ 2,986</b>	<b>\$ 326,366</b>

**State of Illinois**

**Combining Statement of Revenues, Expenses and  
Changes in Retained Earnings  
Internal Service Funds**

For the Year Ended June 30, 1999 (Expressed in Thousands)

	Departments			Total
	Central Management Services	Corrections Working Capital Revolving	Other	
<b>OPERATING REVENUES</b>				
Charges for sales and services	\$ 1,036,911	\$ 49,681	\$ 5,122	\$ 1,091,714
Interest and other investment income	42		16	58
Other	2,996	539	12	3,547
<b>Total operating revenues</b>	<b>1,039,949</b>	<b>50,220</b>	<b>5,150</b>	<b>1,095,319</b>
<b>OPERATING EXPENSES</b>				
Cost of sales and services	183,680	38,234	2,241	224,155
Benefit payments and refunds	590,241			590,241
Interest			1	1
General and administrative	22,236	5,029	2,278	29,543
Depreciation	12,329	1,597	65	13,991
Other	8,187			8,187
<b>Total operating expenses</b>	<b>816,673</b>	<b>44,860</b>	<b>4,585</b>	<b>866,118</b>
<b>Operating income</b>	<b>223,276</b>	<b>5,360</b>	<b>565</b>	<b>229,201</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment income	2,070			2,070
Interest expense	(483)	(8)		(496)
Other revenues	599	115	38	752
Other expenses	(332)	(204)		(536)
<b>Income before operating transfers</b>	<b>225,125</b>	<b>5,263</b>	<b>603</b>	<b>230,991</b>
Operating transfers-in	1,482			1,482
Operating transfers-out			(78)	(78)
Operating transfers to component units	(209,323)			(209,323)
<b>Net income</b>	<b>17,284</b>	<b>5,263</b>	<b>525</b>	<b>23,072</b>
Retained earnings, July 1, 1998	81,560	19,861	1,357	102,778
<b>RETAINED EARNINGS, JUNE 30, 1999</b>	<b>\$ 98,844</b>	<b>\$ 25,124</b>	<b>\$ 1,882</b>	<b>\$ 125,850</b>



State of Illinois

Combining Statement of Cash Flows  
Internal Service Funds

For the Year Ended June 30, 1999 (Expressed in Thousands)

	Departments			
	Central Management Services	Corrections	Other	Total
		Working Capital Revolving		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from sales and services	\$ 998,762	\$ 49,336	\$ 5,258	\$ 1,053,356
Cash payments to suppliers for goods and services	(749,115)	(27,368)	(2,190)	(778,673)
Cash payments to employees for services	(40,227)	(13,773)	(2,612)	(56,612)
Cash receipts from other operating activities	54		18	72
Cash payments for other operating activities		(2,137)		(2,137)
Net cash provided by operating activities	209,474	6,058	474	216,006
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Operating transfers-in from other funds	1,482		3	1,485
Operating transfers-out to other funds			(81)	(81)
Operating transfers to component units	(209,323)			(209,323)
Other noncapital financing activities		(15)		(15)
Net cash (used) by noncapital financing activities	(207,841)	(15)	(78)	(207,934)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Proceeds from sale of revenue bonds	6,118			6,118
Acquisition and construction of capital assets	(14,597)	(1,411)	(79)	(16,087)
Principal paid on bond maturities and equipment contracts	(13,066)	(92)	(1)	(13,159)
Interest paid on bond maturities and equipment contracts	(488)	(8)		(496)
Net cash (used) in capital and related financing activities	(22,033)	(1,511)	(80)	(23,624)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest and dividends on investments	2,070		38	2,108
Net cash provided by investing activities	2,070		38	2,108
Net increase (decrease) in cash and cash equivalents	(18,330)	4,532	354	(13,444)
Cash and cash equivalents, July 1, 1998	112,030	7,430	1,945	121,405
<b>CASH AND CASH EQUIVALENTS, JUNE 30, 1999</b>	<b>\$ 93,700</b>	<b>\$ 11,962</b>	<b>\$ 2,299</b>	<b>\$ 107,961</b>
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>				
<b>Operating income</b>	<b>\$ 223,276</b>	<b>\$ 5,360</b>	<b>\$ 565</b>	<b>\$ 229,201</b>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	12,329	1,597	65	13,991
Provision for uncollectible accounts	(2,086)		6	(2,080)
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(323)	(86)	42	(367)
(Increase) decrease in due from other funds	(15,193)	(1,779)	95	(16,877)
(Increase) decrease in due from component units	(85)	141	3	59
(Increase) decrease in inventories	(79)	655	(27)	549
(Increase) decrease in prepaid expenses	(484)	3		(481)
Increase (decrease) in accounts payable and accrued liabilities	15,046	(43)	(164)	14,839
Increase (decrease) in intergovernmental payables	194			194
Increase (decrease) in due to other funds	(955)	(35)	11	(979)
Increase (decrease) in due to component units	(30)		(1)	(31)
Increase (decrease) in deferred revenues	7,398			7,398
Increase (decrease) in other liabilities	(29,504)	245	(121)	(29,380)
Other	(30)			(30)
Total adjustments	(13,802)	698	(91)	(13,195)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 209,474</b>	<b>\$ 6,058</b>	<b>\$ 474</b>	<b>\$ 216,006</b>
<b>Noncash investing, capital, and financing activities:</b>				
Capital leases (initial year) Fair Market Value	\$ 125	\$ --	\$ --	\$ 125

State of Illinois

Combining Balance Sheet - Internal Service Funds

Department of Central Management Services

June 30, 1999 (Expressed in Thousands)

	State Garage Revolving	Statistical Services Revolving	Communications Revolving	Health Insurance Reserve	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,082	\$ 41,250	\$ 33,146	\$ 18,222	\$ 93,700
Receivables, net:					
Intergovernmental	94	3	428		525
Other		518	972	320	1,810
Due from other funds	4,847	20,814	27,112	96,108	148,881
Due from component units	3	11	502	2,759	3,275
Inventories	1,345	156			1,501
Prepaid expenses		1,092			1,092
<b>Total current assets</b>	<b>7,371</b>	<b>63,844</b>	<b>62,160</b>	<b>117,409</b>	<b>250,784</b>
Restricted assets	108				108
Property, plant & equipment, net	2,567	18,211	12,270		33,048
<b>Total assets</b>	<b>\$ 10,046</b>	<b>\$ 82,055</b>	<b>\$ 74,430</b>	<b>\$ 117,409</b>	<b>\$ 283,940</b>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 4,985	\$ 9,314	\$ 14,387	\$ 116,696	\$ 145,382
Intergovernmental payables	1	240			241
Due to other funds	70	464	1,858	364	2,756
Due to component units	1		1		2
Deferred revenues		15,398			15,398
Other liabilities	2,349	5,476	939	349	9,113
<b>Total current liabilities</b>	<b>7,406</b>	<b>30,892</b>	<b>17,185</b>	<b>117,409</b>	<b>172,892</b>
Other obligations	1,215	1,688	9		2,912
<b>Total liabilities</b>	<b>8,621</b>	<b>32,580</b>	<b>17,194</b>	<b>117,409</b>	<b>175,804</b>
<b>FUND EQUITY</b>					
Contributed capital	1,078	8,157	57		9,292
Retained earnings, unreserved	347	41,318	57,179		98,844
<b>Total fund equity</b>	<b>1,425</b>	<b>49,475</b>	<b>57,236</b>		<b>108,136</b>
<b>Total liabilities and fund equity</b>	<b>\$ 10,046</b>	<b>\$ 82,055</b>	<b>\$ 74,430</b>	<b>\$ 117,409</b>	<b>\$ 283,940</b>



**State of Illinois**

**Combining Statement of Revenues, Expenses and  
Financial Resources and Changes in Fund Balances - Internal Service Funds  
Department of Central Management Services**

For the Year Ended June 30, 1999 (Expressed in Thousands)

	State Garage Revolving	Statistical Services Revolving	Communications Revolving	Health Insurance Reserve	Total
<b>OPERATING REVENUES</b>					
Charges for sales and services	\$ 30,404	\$ 84,289	\$ 118,416	\$ 803,802	\$ 1,036,911
Interest and other investment income	42				42
Other	54	2,242		700	2,996
<b>Total operating revenues</b>	<b>30,500</b>	<b>86,531</b>	<b>118,416</b>	<b>804,502</b>	<b>1,039,949</b>
<b>OPERATING EXPENSES</b>					
Cost of sales and services	22,209	65,098	96,373		183,680
Benefit payments and refunds				590,241	590,241
General and administrative	6,830	2,395	6,003	7,008	22,236
Depreciation	642	6,696	4,991		12,329
Other	780		7,407		8,187
<b>Total operating expenses</b>	<b>30,461</b>	<b>74,189</b>	<b>114,774</b>	<b>597,249</b>	<b>816,673</b>
<b>Operating income</b>	<b>39</b>	<b>12,342</b>	<b>3,642</b>	<b>207,253</b>	<b>223,276</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment income				2,070	2,070
Interest expense	(111)	(345)	(32)		(488)
Other revenues	121		478		599
Other expenses		(332)			(332)
<b>Income before operating transfers</b>	<b>49</b>	<b>11,665</b>	<b>4,088</b>	<b>209,323</b>	<b>225,125</b>
Operating transfers-in		1,482			1,482
Operating transfers to component units				(209,323)	(209,323)
<b>Net income</b>	<b>49</b>	<b>13,147</b>	<b>4,088</b>	<b>--</b>	<b>17,284</b>
Retained earnings, July 1, 1998	298	28,171	53,091	--	81,560
<b>RETAINED EARNINGS, JUNE 30, 1999</b>	<b>\$ 347</b>	<b>\$ 41,318</b>	<b>\$ 57,179</b>	<b>\$ --</b>	<b>\$ 98,844</b>

**State of Illinois**

**Combining Statement of Cash Flows - Internal Service Funds**

**Department of Central Management Services**

For the Year Ended June 30, 1999 (Expressed in Thousands)

	State Garage Revolving	Statistical Services Revolving	Communications Revolving	Health Insurance Reserve	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from sales and services	\$ 30,369	\$ 68,907	\$ 111,492	\$ 787,994	\$ 998,762
Cash payments to suppliers for goods and services	(17,680)	(44,964)	(103,581)	(582,890)	(749,115)
Cash payments to employees for services	(11,625)	(17,979)	(7,707)	(2,916)	(40,227)
Cash receipts from other operating activities	54				54
Net cash provided by operating activities	1,118	5,964	204	202,188	209,474
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Operating transfers-in from other funds		1,482			1,482
Operating transfers to component units				(209,323)	(209,323)
Net cash provided (used) by noncapital financing activities		1,482		(209,323)	(207,841)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Proceeds from sale of revenue bonds		6,118			6,118
Acquisition and construction of capital assets	7	(8,475)	(6,129)		(14,597)
Principal paid on bond maturities and equipment contracts	(676)	(11,258)	(1,132)		(13,066)
Interest paid on bond maturities and equipment contracts	(111)	(345)	(32)		(488)
Net cash (used) in capital and related financing activities	(780)	(13,960)	(7,293)		(22,033)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest and dividends on investments				2,070	2,070
Net cash provided by investing activities				2,070	2,070
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>338</b>	<b>(5,514)</b>	<b>(7,089)</b>	<b>(5,065)</b>	<b>(18,330)</b>
Cash and cash equivalents, July 1, 1998	744	47,764	40,235	23,287	112,030
<b>CASH AND CASH EQUIVALENTS, JUNE 30, 1999</b>	<b>\$ 1,082</b>	<b>\$ 41,250</b>	<b>\$ 33,146</b>	<b>\$ 18,222</b>	<b>\$ 93,700</b>
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>					
<b>Operating income</b>	<b>\$ 39</b>	<b>\$ 12,342</b>	<b>\$ 3,642</b>	<b>\$ 207,253</b>	<b>\$ 223,276</b>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	642	6,696	4,991		12,329
Provision for uncollectible accounts	145	(2,240)	9		(2,086)
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	(49)	7	(86)	(195)	(323)
(Increase) decrease in due from other funds	436	7,221	(6,742)	(16,108)	(15,193)
(Increase) decrease in due from component units	1	16	(96)	(6)	(85)
(Increase) decrease in inventories	(44)	(35)			(79)
(Increase) decrease in prepaid expenses		(484)			(484)
Increase (decrease) in accounts payable and accrued liabilities	132	4,451	(1,628)	12,091	15,046
Increase (decrease) in intergovernmental payables	(4)	198			194
Increase (decrease) in due to other funds	(129)	(117)	114	(823)	(955)
Increase (decrease) in due to component units	(1)	(30)	1		(30)
Increase (decrease) in deferred revenues		7,398			7,398
Increase (decrease) in other liabilities	(50)	(29,429)	(1)	(24)	(29,504)
Other		(30)			(30)
Total adjustments	1,079	(6,378)	(3,438)	(5,065)	(13,802)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 1,118</b>	<b>\$ 5,964</b>	<b>\$ 204</b>	<b>\$ 202,188</b>	<b>\$ 209,474</b>
<b>Noncash investing, capital, and financing activities:</b>					
Capital leases (initial year) Fair Market Value	\$ 125	\$ --	\$ --	\$ --	\$ 125



**This Page Intentionally Left Blank**

# TRUST AND AGENCY FUNDS

Trust and Agency Funds are maintained to account for assets held by the State acting in the capacity of trustee or agent.



## SIGNIFICANT TRUST AND AGENCY FUNDS DESCRIPTIONS

### EXPENDABLE TRUST FUNDS:

#### Department of Central Management Services

Deferred Compensation Plan Fund--to defer gross compensation of any State employee and invest the funds until retirement, death or extreme hardship.

#### Department of Employment Security

Unemployment Compensation Trust Fund--to provide for unemployment insurance benefit claims. Funding is through employer contributions and Federal Unemployment Trust advances.

#### Industrial Commission

Self-Insurers Security Fund--to cover claims for compensation made on self-insured employers with respect to employment related injuries and diseases.

### STATE PENSION FUNDS:

See Note 10 on page 44 for description of pension funds.

### INVESTMENT TRUST FUNDS:

#### Treasurer

Public Treasurers' Investment Pool Fund--to hold and invest public funds deposited by local Treasurers to enhance investment opportunities - in effect a mutual fund.

#### Department of Lottery

Deferred Lottery Prize Winners Trust Fund--to hold the proceeds of investments that will be paid to Illinois State Lottery prize winners. Investment contracts are executed by the State Treasurer with the State Lottery Director's approval in a manner which ensures the timely payment to prize winners.

### AGENCY FUNDS:

#### Department of Insurance

Security Deposit Fund--to hold securities on deposit by domestic and certain foreign domiciled insurance companies in the State for protection of all policyholders, policy obligations and creditors of the companies.

#### Department of Public Aid

Child Support Enforcement Agency Fund--to account for that portion of the Child Support Enforcement Trust Fund that hold monies recovered under the Child Support Enforcement Program until they can be paid over to the appropriate third parties.

State of Illinois

Combining Balance Sheet

Trust and Agency Funds

June 30, 1999 (Expressed in Thousands)

	Trust				Agency	
	Expendable	Non-Expendable Other	Pension	Investment		Total
<b>ASSETS</b>						
Cash and cash equivalents	\$ 2,081,164	\$ 9,801	\$ 431,532	\$ 181,838	\$ 536,260	\$ 3,240,595
Investments	1,443,709	1,109	44,185,282	4,382,276		50,012,376
Receivables, net:						
Taxes	250,034				76,577	326,611
Intergovernmental	11,507				1,579	13,086
Other	35,689	114	687,845	783	305,995	1,030,426
Due from other funds	2,313		15,890	9	26,556	44,568
Due from component units	98		6,225		115	6,438
Property, plant & equipment, net		104	22,792			22,896
Other assets					1,238,256	1,238,256
<b>Total assets</b>	<b>\$ 3,824,514</b>	<b>\$ 11,128</b>	<b>\$ 45,349,366</b>	<b>\$ 4,564,906</b>	<b>\$ 2,185,338</b>	<b>\$ 55,935,252</b>
<b>LIABILITIES</b>						
Account payable and accrued liabilities	\$ 21,291		\$ 1,378,449	\$ 244	\$ 15,374	\$ 1,415,358
Intergovernmental payables	3,813	\$ 6			334,742	338,561
Due to other funds	3,066		315	22	82,733	86,136
Due to component units	39					39
Deferred revenues	3,100					3,100
Other liabilities	2,386		2,478,182	225	1,752,489	4,233,282
Revenue bonds payable			18,654			18,654
<b>Total liabilities</b>	<b>33,695</b>	<b>6</b>	<b>3,875,600</b>	<b>491</b>	<b>2,185,338</b>	<b>6,095,130</b>
<b>FUND BALANCES</b>						
Reserved for:						
Encumbrances	2,465					2,465
Unemployment compensation benefits	2,322,271					2,322,271
Employee's pension benefits			41,473,766			41,473,766
External investment pool participants				4,564,415		4,564,415
Other	1,883					1,883
Unreserved:						
Designated for deferred compensation benefits	1,442,026					1,442,026
Unreserved, undesignated	22,174	11,122				33,296
<b>Total fund balances</b>	<b>3,790,819</b>	<b>11,122</b>	<b>41,473,766</b>	<b>4,564,415</b>		<b>49,840,122</b>
<b>Total liabilities and fund balances</b>	<b>\$ 3,824,514</b>	<b>\$ 11,128</b>	<b>\$ 45,349,366</b>	<b>\$ 4,564,906</b>	<b>\$ 2,185,338</b>	<b>\$ 55,935,252</b>



State of Illinois

Combining Balance Sheet  
Expendable Trust Funds

June 30, 1999 (Expressed in Thousands)

	Departments		Agencies, Boards and Authorities			
	Central Management Services	Employment Security	Industrial Commission			
	State Employees Deferred Compensation Plan	Unemployment Compensation Trust	Self-Insurer's Security	Other		Total
<b>ASSETS</b>						
Cash and cash equivalents	\$ 4,755	\$ 2,053,374	\$ 3,771	\$ 19,264	\$	2,081,164
Investments	1,441,862			1,847		1,443,709
Receivables, net:						
Taxes		249,939		95		250,034
Intergovernmental		11,507				11,507
Other	199	34,855	14	621		35,689
Due from other funds		2,130		183		2,313
Due from component units		98				98
<b>Total assets</b>	<b>\$ 1,446,816</b>	<b>\$ 2,351,903</b>	<b>\$ 3,785</b>	<b>\$ 22,010</b>	<b>\$</b>	<b>3,824,514</b>
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities	\$ 1,088	\$ 19,966	\$ 171	\$ 66	\$	21,291
Intergovernmental payables		3,813				3,813
Due to other funds	51	2,767	1	247		3,066
Due to component units				39		39
Deferred revenues		3,086		14		3,100
Other liabilities			1,883	503		2,386
<b>Total liabilities</b>	<b>1,139</b>	<b>29,632</b>	<b>2,055</b>	<b>869</b>		<b>33,695</b>
<b>FUND BALANCES</b>						
Reserved for:						
Encumbrances				2,465		2,465
Unemployment compensation benefits		2,322,271				2,322,271
Other				1,883		1,883
Unreserved:						
Designated for deferred compensation benefits	1,442,026					1,442,026
Unreserved, undesignated	3,651		1,730	16,793		22,174
<b>Total fund balances</b>	<b>1,445,677</b>	<b>2,322,271</b>	<b>1,730</b>	<b>21,141</b>		<b>3,790,819</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,446,816</b>	<b>\$ 2,351,903</b>	<b>\$ 3,785</b>	<b>\$ 22,010</b>	<b>\$</b>	<b>3,824,514</b>

**State of Illinois**

**Combining Statement of Revenues, Expenditures, Other Sources and Uses of  
Financial Resources and Changes in Fund Balances  
Expendable Trust Funds**

For the Year Ended June 30, 1999 (Expressed in Thousands)

	Departments		Agencies, Boards and Authorities		Other	Total
	Central Management Services	Employment Security	Industrial Commission	Self-Insurer's Security		
	State Employees Deferred Compensation Plan	Unemployment Compensation Trust				
<b>REVENUES</b>						
Other taxes		\$ 1,157,105	\$ 3,309	\$ 80	\$ 1,160,494	
Federal government		15,932			15,932	
Licenses and fees	\$ 1,752				3,325	5,077
Interest and other investment income	126,552	126,919	169	737	254,377	
Other	121,999	65		5,222	127,286	
<b>Total revenues</b>	<b>250,303</b>	<b>1,300,021</b>	<b>3,478</b>	<b>9,364</b>	<b>1,563,166</b>	
<b>EXPENDITURES</b>						
Current:						
Health and social services				306	306	
General government	43,898			3,202	47,100	
Social assistance		1,144,705	2,485	45	1,147,235	
Public protection and justice				2,015	2,015	
Natural resources and recreation				55	55	
Capital outlays	22			203	225	
<b>Total expenditures</b>	<b>43,920</b>	<b>1,144,705</b>	<b>2,485</b>	<b>5,826</b>	<b>1,196,936</b>	
<b>Excess of revenues over expenditures</b>	<b>206,383</b>	<b>155,316</b>	<b>993</b>	<b>3,538</b>	<b>366,230</b>	
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>						
Operating transfers-in		11,659		1,016	12,675	
Operating transfers-out		(11,392)			(11,392)	
<b>Net other sources (uses) of financial resources</b>		<b>267</b>		<b>1,016</b>	<b>1,283</b>	
<b>Excess of revenues over expenditures and net other sources (uses) of financial resources</b>	<b>206,383</b>	<b>155,583</b>	<b>993</b>	<b>4,554</b>	<b>367,513</b>	
Fund balances, July 1, 1998, as previously reported		2,166,688	737	16,587	2,184,012	
Restatement/reclassification of fund balances	1,239,294				1,239,294	
Fund balances, July 1, 1998, as restated	1,239,294	2,166,688	737	16,587	3,423,306	
<b>FUND BALANCES, JUNE 30, 1999</b>	<b>\$ 1,445,677</b>	<b>\$ 2,322,271</b>	<b>\$ 1,730</b>	<b>\$ 21,141</b>	<b>\$ 3,790,819</b>	



State of Illinois

Combining Statement of Net Assets

Pension Trust Funds

June 30, 1999 (Expressed in Thousands)

	General Assembly Retirement System		Judges' Retirement System		State Employees' Retirement System		Teachers' Retirement System		State Universities Retirement System		Total
									Defined Benefit	Defined Contribution	
<b>ASSETS</b>											
Cash and cash equivalents	\$	1,657	\$	7,280	\$	100,579	\$	2,756	\$	319,260	\$ 431,532
Investments		65,254		382,236		7,879,023		24,472,180		11,357,151	44,185,282
Other receivables, net		12		234		1,592		536,700		147,442	687,845
Due from other funds				57		15,600				33	15,690
Due from component units										6,225	6,225
Property, plant & equipment, net		6		9		3,532		3,340		15,905	22,792
<b>Total assets</b>	<b>\$</b>	<b>66,929</b>	<b>\$</b>	<b>389,816</b>	<b>\$</b>	<b>8,000,326</b>	<b>\$</b>	<b>25,014,976</b>	<b>\$</b>	<b>11,846,016</b>	<b>\$ 45,349,366</b>
<b>LIABILITIES</b>											
Accounts payable and accrued liabilities	\$	39	\$	47	\$	5,067	\$	1,358,679	\$	14,617	\$ 1,378,449
Due to other funds		57		7		22		229			315
Other liabilities						8,804		1,418,359		1,051,019	2,478,182
Revenue bonds payable										18,654	18,654
<b>Total liabilities</b>		<b>96</b>		<b>54</b>		<b>13,893</b>		<b>2,777,267</b>		<b>1,084,290</b>	<b>3,875,600</b>
<b>FUND BALANCES</b>											
Reserved for employees' pension benefits		66,833		389,762		7,986,433		22,237,709		10,761,726	41,473,766
<b>Total fund balances</b>		<b>66,833</b>		<b>389,762</b>		<b>7,986,433</b>		<b>22,237,709</b>		<b>10,761,726</b>	<b>41,473,766</b>
<b>Total liabilities and fund balances</b>	<b>\$</b>	<b>66,929</b>	<b>\$</b>	<b>389,816</b>	<b>\$</b>	<b>8,000,326</b>	<b>\$</b>	<b>25,014,976</b>	<b>\$</b>	<b>11,846,016</b>	<b>\$ 45,349,366</b>

State of Illinois

Combining Statement of Changes in Net Assets  
Pension Trust Funds

For the Year Ended June 30, 1999 (Expressed in Thousands)

	General Assembly Retirement System	Judges' Retirement System	State Employees' Retirement System	Teachers' Retirement System	State Universities Retirement System		Total
					Defined Benefit	Defined Contribution	
<b>ADDITIONS</b>							
Contributions:							
Employer	\$ 3,700	\$ 18,689	\$ 315,525	\$ 603,603	\$ 237,873	\$ 6,434	\$ 1,185,824
Plan members	1,392	11,270	159,580	866,376	212,966	6,709	1,258,293
Other	21			32,993			33,014
Total contributions	5,113	29,959	475,105	1,502,972	450,839	13,143	2,477,131
Investment income:							
Interest and other investment income	1,943	11,109	222,275	1,019,383	195,239		1,449,949
Net appreciation of investments	5,868	34,244	700,892	1,249,234	921,818	2,518	2,914,574
Investment expense	(127)	(740)	(15,045)	(178,956)	(15,025)		(209,893)
Net investment income	7,684	44,613	908,122	2,089,661	1,102,032	2,518	4,154,630
Total additions	12,797	74,572	1,383,227	3,592,633	1,552,871	15,661	6,631,761
<b>DEDUCTIONS</b>							
Benefit payments and refunds	8,463	41,148	454,832	1,309,987	557,296	594	2,372,320
Interest expense					1,300		1,300
Depreciation	2	3	245	449	1,373		2,072
General and administration	237	352	6,189	10,231	8,618		25,627
Other			23	145			168
Total deductions	8,702	41,503	461,289	1,320,812	568,587	594	2,401,487
Net additions	4,095	33,069	921,938	2,271,821	984,284	15,067	4,230,274
Fund balances reserved for employees' pension benefits, July 1, 1998	62,738	356,693	7,064,495	19,965,888	9,792,000	1,678	37,243,492
Residual equity transfer					(14,558)	14,558	--
<b>FUND BALANCES RESERVED FOR EMPLOYEE'S PENSION BENEFITS, JUNE 30, 1999</b>	<b>\$ 66,833</b>	<b>\$ 389,762</b>	<b>\$ 7,986,433</b>	<b>\$ 22,237,709</b>	<b>\$ 10,761,726</b>	<b>\$ 31,303</b>	<b>\$ 41,473,766</b>



*State of Illinois*

**Combining Statement of Net Assets  
Investment Trust Funds**

June 30, 1999 (Expressed in Thousands)

	Elected Officials Treasurer Public Treasurers' Investment Pool	Departments Lottery Deferred Prize Winners Trust	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 181,600	\$ 238	\$ 181,838
Investments	2,726,357	1,655,919	4,382,276
Other receivables, net	783		783
Due from other funds		9	9
<b>Total assets</b>	<b>\$ 2,908,740</b>	<b>\$ 1,656,166</b>	<b>\$ 4,564,906</b>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 244		\$ 244
Due to other funds		\$ 22	22
Other liabilities		225	225
<b>Total liabilities</b>	<b>244</b>	<b>247</b>	<b>491</b>
<b>FUND BALANCES</b>			
Reserved for external investment pool participants	2,908,496	1,655,919	4,564,415
<b>Total fund balances</b>	<b>2,908,496</b>	<b>1,655,919</b>	<b>4,564,415</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,908,740</b>	<b>\$ 1,656,166</b>	<b>\$ 4,564,906</b>

State of Illinois

**Combining Statement of Changes in Net Assets  
Investment Trust Funds**

For the Year Ended June 30, 1999 (Expressed in Thousands)

	Elected Officials Treasurer Public Treasurers' Investment Pool	Departments Lottery Deferred Prize Winners Trust	Total
<b>ADDITIONS</b>			
Participants' deposits, net	\$ 472,026		\$ 472,026
Investment income:			
Interest and other investment income	139,105	\$ 118,333	257,438
Net appreciation (depreciation) of investments		(59,787)	(59,787)
Investment expense	(2,970)		(2,970)
Net investment income	136,135	58,546	194,681
<b>Total additions</b>	<b>608,161</b>	<b>58,546</b>	<b>666,707</b>
<b>DEDUCTIONS</b>			
Participants' withdrawals, net		166,108	166,108
Distribution to pool investors	136,135		136,135
<b>Total deductions</b>	<b>136,135</b>	<b>166,108</b>	<b>302,243</b>
<b>Net additions (deductions)</b>	<b>472,026</b>	<b>(107,562)</b>	<b>364,464</b>
Fund balances reserved for external investment pool participants, July 1, 1998	2,436,470	1,763,481	4,199,951
<b>FUND BALANCES RESERVED FOR EXTERNAL INVESTMENT POOL PARTICIPANTS, JUNE 30, 1999</b>	<b>\$ 2,908,496</b>	<b>\$ 1,655,919</b>	<b>\$ 4,564,415</b>



State of Illinois

Combining Balance Sheet

Agency Funds

June 30, 1999 (Expressed in Thousands)

	Elected Officials		Departments				Revenue	Other	Total			
	Treasurer	Human Services	Insurance	Public Aid								
		Public Assistance Recoveries Trust		Child Support Enforcement Trust								
		Protest			Security Deposit							
ASSETS												
Cash and cash equivalents	\$	205,918	\$	59,138		\$	131,555	\$	139,649	\$	536,260	
Receivables, net:												
Taxes		791					51,157		24,629		76,577	
Intergovernmental									1,579		1,579	
Other			41,954			\$	253,318		341		305,995	
Due from other funds							21,765		4,791		26,556	
Due from component units									115		115	
Other assets					\$	1,218,381			19,875		1,238,256	
Total assets	\$	206,709	\$	101,092	\$	1,218,381	\$	253,318	\$	204,818	\$	2,185,338
LIABILITIES												
Accounts payable and accrued liabilities							\$	633	\$	14,741	\$	15,374
Intergovernmental payables			\$	44,996				203,947		85,799		334,742
Due to other funds	\$	366		40,244				238		41,885		82,733
Depository and other liabilities		206,343		15,852	\$	1,218,381	\$	253,318		58,595		1,752,489
Total liabilities	\$	206,709	\$	101,092	\$	1,218,381	\$	253,318	\$	204,818	\$	2,185,338

**State of Illinois**

**Combining Balance Sheet - Agency Funds**

**Department of Revenue**

June 30, 1999 (Expressed in Thousands)

	Home Rule Municipal Retailers Occupation Tax	Metropolitan Pier and Exposition Authority Trust	RTA Sales Tax Trust	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 35,350	\$ 45,435	\$ 50,770	\$ 131,555
Receivables, net:				
Taxes	18,749	6,985	25,423	51,157
Other	76	144	121	341
Due from other funds			21,765	21,765
<b>Total assets</b>	<b>\$ 54,175</b>	<b>\$ 52,564</b>	<b>\$ 98,079</b>	<b>\$ 204,818</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 622	\$ 11		\$ 633
Intergovernmental payables	53,551	52,317	\$ 98,079	203,947
Due to other funds	2	236		238
<b>Total liabilities</b>	<b>\$ 54,175</b>	<b>\$ 52,564</b>	<b>\$ 98,079</b>	<b>\$ 204,818</b>



**This Page Intentionally Left Blank**

**State of Illinois**

**Combining Statement of Changes in Assets and Liabilities**

**All Agency Funds**

For the Year Ended June 30, 1999 (Expressed in Thousands)

	ASSETS					
	Cash and Cash Equivalents		Receivables		Due From Other Funds	Due From Component Units
		Taxes	Intergovern- mental	Other		
ORGANIZATION/FUND						
Treasurer:						
Protest						
Balance July 1, 1998	\$ 186,688	\$ 7,480			\$ 8	
Additions	63,886	791				
Deductions	44,656	7,480			8	
Balance June 30, 1999	205,918	791				
Human Services:						
Public Assistance Recoveries						
Trust						
Balance July 1, 1998	48,461			\$ 42,632		
Additions	215,166			69,799		
Deductions	204,489			70,477		
Balance June 30, 1999	59,138			41,954		
Insurance:						
Security Deposit						
Balance July 1, 1998						
Additions						
Deductions						
Balance June 30, 1999						
Public Aid:						
Child Support Enforcement Trust						
Balance July 1, 1998				281,182		
Additions				141,470		
Deductions				169,334		
Balance June 30, 1999				253,318		
Revenue:						
Home Rule Municipal Retailers						
Retailers Occupation Tax						
Balance July 1, 1998	34,325	16,699		76		
Additions	350,065	18,749		76		
Deductions	349,040	16,699		76		
Balance June 30, 1999	35,350	18,749		76		
Metropolitan Pier and Exposition						
Authority Trust						
Balance July 1, 1998	43,346	6,412		162		
Additions	82,148	6,985		144		
Deductions	80,059	6,412		162		
Balance June 30, 1999	45,435	6,985		144		
RTA Sales Tax Trust						
Balance July 1, 1998	48,593	24,170		124	19,573	
Additions	572,702	25,423		121	21,765	
Deductions	570,525	24,170		124	19,573	
Balance June 30, 1999	50,770	25,423		121	21,765	
Other:						
Balance July 1, 1998	122,097	22,392	\$ 1,614	1,246	4,507	\$ 1,044
Additions	1,975,028	24,629	1,579	10,374	4,791	115
Deductions	1,957,476	22,392	1,614	1,238	4,507	1,044
Balance June 30, 1999	139,649	24,629	1,579	10,382	4,791	115
Total--All Agency Funds:						
Balance July 1, 1998, as restated	483,510	77,153	1,614	325,422	24,088	1,044
Additions	3,258,995	76,577	1,579	221,984	26,556	115
Deductions	3,206,245	77,153	1,614	241,411	24,088	1,044
Balance June 30, 1999	\$ 536,260	\$ 76,577	\$ 1,579	\$ 305,995	\$ 26,556	\$ 115



ASSETS (CONT.)		LIABILITIES				
Other Assets	Total Assets	Accounts Payable and Accrued Liabilities	Intergovernmental Payables	Due To Other Funds	Depository and Other Liabilities	Total Liabilities
	\$ 194,176			\$ 2,104	\$ 192,072	\$ 194,176
	64,677			366	64,311	64,677
	52,144			2,104	50,040	52,144
	<u>206,709</u>			<u>366</u>	<u>206,343</u>	<u>206,709</u>
	91,093		\$ 12,574	28,658	49,861	91,093
	284,965		33,668	163,028	88,269	284,965
	274,966		1,246	151,442	122,278	274,966
	<u>101,092</u>		<u>44,996</u>	<u>40,244</u>	<u>15,852</u>	<u>101,092</u>
\$ 933,340	933,340				933,340	933,340
660,755	660,755				660,755	660,755
375,714	375,714				375,714	375,714
<u>1,218,381</u>	<u>1,218,381</u>				<u>1,218,381</u>	<u>1,218,381</u>
	281,182				281,182	281,182
	141,470				141,470	141,470
	169,334				169,334	169,334
	<u>253,318</u>				<u>253,318</u>	<u>253,318</u>
	51,100	\$ 501	50,598	1		51,100
	368,890	622	53,551	2		54,175
	365,815	501	50,598	1		51,100
	<u>54,175</u>	<u>622</u>	<u>53,551</u>	<u>2</u>		<u>54,175</u>
	49,920	10	49,683	227		49,920
	89,277	11	52,317	236		52,564
	86,633	10	49,683	227		49,920
	<u>52,564</u>	<u>11</u>	<u>52,317</u>	<u>236</u>		<u>52,564</u>
	92,460		92,460			92,460
	620,011		98,079			98,079
	614,392		92,460			92,460
	<u>98,079</u>		<u>98,079</u>			<u>98,079</u>
19,797	172,697	14,564	74,488	26,374	57,271	172,697
2,193	2,018,709	30,158	803,492	174,826	541,354	1,549,830
2,115	1,990,386	29,981	792,181	159,315	540,030	1,521,507
<u>19,875</u>	<u>201,020</u>	<u>14,741</u>	<u>85,799</u>	<u>41,885</u>	<u>58,595</u>	<u>201,020</u>
953,137	1,865,968	15,075	279,803	57,364	1,513,726	1,865,968
662,948	4,248,754	30,791	1,041,107	338,458	1,496,159	2,906,515
377,829	3,929,384	30,492	966,168	313,089	1,257,396	2,587,145
<u>\$ 1,238,256</u>	<u>\$ 2,185,338</u>	<u>\$ 15,374</u>	<u>\$ 334,742</u>	<u>\$ 82,733</u>	<u>\$ 1,752,489</u>	<u>\$ 2,185,338</u>

**This Page Intentionally Left Blank**



# GENERAL FIXED ASSETS ACCOUNT GROUP

General Fixed Assets Account Group is maintained to account for fixed assets acquired or constructed for use by the State for general governmental purposes. These include all fixed assets of the primary government except those accounted for in the proprietary and fiduciary funds types.



**State of Illinois****Schedule of Changes in General Fixed Assets**

For the Year Ended June 30, 1999 (Expressed in Thousands)

	Balance July 1, 1998	Additions	Deletions/ Net Transfers	Balance June 30, 1999
Land and land improvements	\$ 607,073	\$ 8,291	\$ (25,477)	\$ 640,841
Buildings and building improvements	3,031,867	43,124	(170,476)	3,245,469
Equipment	1,366,380	146,782	107,142	1,408,020
Construction in progress	56,176	161,679	162,209	55,646
<b>Total</b>	<b>\$ 5,061,496</b>	<b>\$ 359,876</b>	<b>\$ 73,396</b>	<b>\$ 5,347,976</b>

**State of Illinois****Schedule of Changes in General Fixed Assets****By Function**

For the Year Ended June 30, 1999 (Expressed in Thousands)

Function	Balance July 1, 1998	Additions	Deletions/ Net Transfers	Balance June 30, 1999
<b>General Government:</b>				
Legislative	\$ 21,533	\$ 2,189	\$ 3,021	\$ 20,701
Elected officials	378,915	6,650	(6,733)	392,298
Departments and agencies	551,626	8,466	8,440	551,652
<b>Total general government</b>	<b>952,074</b>	<b>17,305</b>	<b>4,728</b>	<b>964,651</b>
Health and social services	947,176	50,760	(9,149)	1,007,085
Public protection and justice	1,624,865	56,716	(103,132)	1,784,713
Natural resources and recreation	844,046	30,081	(10,089)	884,216
Transportation	453,699	24,450	16,173	461,976
Social assistance	82,259	10,651	12,108	80,802
Education	101,201	8,234	548	108,887
Construction in progress	56,176	161,679	162,209	55,646
<b>Total general fixed assets</b>	<b>\$ 5,061,496</b>	<b>\$ 359,876</b>	<b>\$ 73,396</b>	<b>\$ 5,347,976</b>



**State of Illinois**

**Schedule of General Fixed Assets**

**By Function**

June 30, 1999 (Expressed in Thousands)

Function	Total	Land and Land Improvements	Buildings and Building Improvements	Equipment
General Government:				
Legislative	\$ 20,701		\$ 2	\$ 20,699
Elected officials	392,298	\$ 6,772	307,145	78,381
Departments and agencies	551,652	17,529	465,114	69,009
Total general government	964,651	24,301	772,261	168,089
Health and social services	1,007,085	79,677	680,671	246,737
Public protection and justice	1,784,713	119,034	1,311,098	354,581
Natural resources and recreation	884,216	403,462	316,384	164,370
Transportation	461,976	10,497	104,779	346,700
Social assistance	80,802			80,802
Education	108,887	3,870	60,276	44,741
Total general fixed assets allocated to functions	5,292,330	\$ 640,841	\$ 3,245,469	\$ 1,406,020
Construction in progress	55,646			
Total general fixed assets	\$ 5,347,976			

# **GENERAL LONG-TERM OBLIGATIONS ACCOUNT GROUP**

General Long-Term Obligations Account Group is maintained to account for the State's unmatured general obligation bonds, unfunded retirement costs, and other long-term obligations.



**State of Illinois**

**Schedule of Changes in General Long-Term Obligations**

For the Year Ended June 30, 1999 (Expressed in Thousands)

	Net Pension Obligation	General Obligation Bonds	Special Obligation Bonds	Other Long-Term Obligations	Total
<b>BALANCES JULY 1, 1998, AS PREVIOUSLY REPORTED</b>	\$ 11,304,662	\$ 5,886,104	\$ 1,832,306	\$ 1,586,127	\$ 20,609,199
Adjustment to prior year balance for SURS due to changes in actuarial calculations	(304)				(304)
<b>BALANCES JULY 1, 1998, as restated</b>	11,304,358	5,886,104	1,832,306	1,586,127	20,608,895
Compensated absences earned				331,292	331,292
Increase in workers' compensation liability				1,578	1,578
Debt issues		772,334	60,000		832,334
Increase in lease and installment purchase obligations				24,093	24,093
Compensated absences taken				(328,248)	(328,248)
Increase in accreted value of capital appreciation bonds		113,144	10,778		123,922
Principal retirements and terminations		(645,138)	(75,420)	(51,511)	(772,069)
Excess of annual pension cost ("APC") over employer contributions from governmental fund types	811,337				811,337
Other				(7,405)	(7,405)
<b>BALANCES JUNE 30, 1999</b>	<b>\$ 12,115,695</b>	<b>\$ 6,126,444</b>	<b>\$ 1,827,664</b>	<b>\$ 1,555,926</b>	<b>\$ 21,625,729</b>

**This Page Intentionally Left Blank**



# COMPONENT UNITS

Component Units Section are legally separate organizations for which the elected officials of the primary government are financially accountable. Component Units also include certain other organizations because of the nature and significance of their relationship with the primary government.

## SIGNIFICANT COMPONENT UNITS DESCRIPTIONS

### GOVERNMENTAL:

Illinois Conservation Foundation--to provide additional funding for the Illinois Department of Natural Resources' conservation programs that either are not receiving adequate State funding or else cannot be implemented because State funding is not available.

East St. Louis Finance Advisory Authority--to provide a secure financial basis for and to furnish assistance to the City of East St. Louis.

Illinois Development Finance Authority--to provide funding for industrial, commercial, and manufacturing development in areas of Illinois with critical unemployment.

Illinois Medical District Commission--to combine the resources of diverse medical institutions to promote low cost medical care in the City of Chicago, accelerate scientific research, improve diagnostic methods, and train health care professionals.

### PROPRIETARY:

The Comprehensive Health Insurance Board--to provide an alternate market for health insurance for eligible Illinois residents having a preexisting health condition.

Illinois Housing Development Authority--to make loans and issue notes and bonds for the acquisition, construction, and rehabilitation of housing and to make loans to encourage home ownership.

Illinois Rural Bond Bank--to provide assistance to rural government units by providing adequate capital markets and facilities for borrowing money and financing improvements at low interest rates.

Illinois State Toll Highway Authority--to operate a toll highway system to promote the public welfare, and to facilitate vehicular traffic by providing convenient, safe, modern, and limited access highways within Illinois.

### UNIVERSITY:

Board of Trustees of Chicago State University--to operate, manage, control, and maintain Chicago State University. The Board was created on January 1, 1996 with the dissolution of the Board of Governors of State Colleges and Universities.

Board of Trustees of Eastern Illinois University--to operate, manage, control, and maintain Eastern Illinois University. The Board was created on January 1, 1996 with the dissolution of the Board of Governors of State Colleges and Universities.

Board of Trustees of Governors State University--to operate, manage, control, and maintain Governors State University. The Board was created on January 1, 1996 with the dissolution of the Board of Governors of State Colleges and Universities.

Board of Trustees of Northeastern Illinois University--to operate, manage, control, and maintain Northeastern Illinois University. The Board was created on January 1, 1996 with the dissolution of the Board of Governors of State Colleges and Universities.

Board of Trustees of Western Illinois University--to operate, manage, control, and maintain Western Illinois University. The Board was created on January 1, 1996 with the dissolution of the Board of Governors of State Colleges and Universities.

Board of Trustees of Illinois State University--to operate, manage, control, and maintain Illinois State University. The Board was created on January 1, 1996 with the dissolution of the Board of Regents.

Board of Trustees of Northern Illinois University--to operate, manage, control, and maintain Northern Illinois University. The Board was created on January 1, 1996 with the dissolution of the Board of Regents.



Board of Trustees of Southern Illinois University--to operate, manage, control, and maintain Southern Illinois University. The Board was created on July 1, 1949. Southern Illinois University consists of campuses at Carbondale and Edwardsville. In addition, the University operates a medical school.

Board of Trustees of University of Illinois--to manage the University of Illinois. The Board is a separately elected body created by law on July 1, 1876. The University of Illinois consists of campuses at Champaign-Urbana, Springfield, and Chicago. In addition, the University operates a medical school.

**This Page Intentionally Left Blank**



**State of Illinois**

**Combining Balance Sheet - Component Units**

**All Fund Types and Account Groups**

June 30, 1999 (Expressed in Thousands)

	Governmental Fund Types	Proprietary Fund Types	University Funds				
			Chicago State University	Eastern Illinois University	Governors State University	Northeastern Illinois University	Western Illinois University
<b>ASSETS</b>							
<b>Assets:</b>							
Cash and cash equivalents	\$ 49,327	\$ 353,346	\$ 3,503	\$ 40,628	\$ 9,195	\$ 10,466	\$ 25,941
Investments	25,459	870,323	4,694	32,038	717	1,499	22,550
Receivables, net:							
Intergovernmental	6,612				251	4,050	
Other	335	40,606	4,282	11,345	3,547	1,683	4,890
Due from other funds	181	5,119	1,085			87	
Due from primary government	39		484	243	1,041	681	314
Inventories	13		88	1,682	69	177	2,466
Prepaid expenses		4,615		728		1,531	
Loans and notes receivable, short-term	126,137	1,581,092	774	4,534	3,031	1,850	1,856
Restricted assets (\$25,456 cash equivalents)	1,460	358,943					
Property, plant & equipment, net	18,479	1,831,141	112,033	186,522	75,053	126,764	250,723
Other assets	204	84,266		769	1,157	3	
Amount to be provided for retirement of other obligations	2,969						
<b>Total assets</b>	<b>\$ 231,215</b>	<b>\$ 5,129,451</b>	<b>\$ 126,943</b>	<b>\$ 278,489</b>	<b>\$ 94,061</b>	<b>\$ 148,791</b>	<b>\$ 308,740</b>
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>							
<b>Liabilities:</b>							
Account payable and accrued liabilities	\$ 248	\$ 183,285	\$ 14,233	\$ 24,793	\$ 12,915	\$ 17,050	\$ 33,224
Intergovernmental payables		6,796					
Due to other funds	1,397	3,856	883	2		87	
Due to primary government		22	964	117	313	53	529
Deferred revenues	65	2,155	125	14,207	1,258	3,173	1,454
Liabilities payable from restricted assets					3,036		
Other liabilities	3,010	182,516	1,956	1,129		59	500
Notes payable	2,969	91				304	
Revenue bonds payable, net		3,043,134	25,650	47,215		6,065	38,033
Other obligations		25,089	2,490	10,418	580	2,562	157
<b>Total liabilities</b>	<b>7,689</b>	<b>3,446,944</b>	<b>46,301</b>	<b>97,881</b>	<b>18,102</b>	<b>29,353</b>	<b>73,897</b>
<b>Equity and other credits:</b>							
Contributed capital		33,524					
Investment in fixed assets	18,479		85,170	136,266	74,473	121,688	212,377
Retained earnings:							
Reserved for:							
Revenue bond and note retirement		283,075					
Other		69,788					
Unreserved		1,296,120					
Fund balances (deficits):							
Reserved for:							
Encumbrances	3,460						1,101
Long-term portion of:							
Intergovernmental receivables	4,500						
Loans and notes receivable	121,300						
Restricted fund balances			3,141	30,227	5,067	189	18,500
Endowments and similar funds			378	20,266	608	999	11,738
Other	96						
Unreserved:							
Designated, other						360	
Undesignated	75,691		(8,047)	(6,151)	(4,189)	(3,798)	(8,873)
<b>Total equity and other credits</b>	<b>223,526</b>	<b>1,682,507</b>	<b>80,642</b>	<b>180,608</b>	<b>75,959</b>	<b>119,438</b>	<b>234,843</b>
<b>Total liabilities, equity and other credits</b>	<b>\$ 231,215</b>	<b>\$ 5,129,451</b>	<b>\$ 126,943</b>	<b>\$ 278,489</b>	<b>\$ 94,061</b>	<b>\$ 148,791</b>	<b>\$ 308,740</b>

University (continued)				
Illinois State University	Northern Illinois University	Southern Illinois University	University of Illinois	Total
\$ 3,336	\$ 34,068	\$ 54,978	\$ 117,864	\$ 702,652
93,692	63,937	156,846	1,253,461	2,525,216
80	787	3,818		15,598
5,393	12,090	31,609	92,276	208,056
	3,825	5,150	13,347	28,794
2,532	4,918	7,691	90,060	108,003
2,325	3,115	7,081	27,084	44,100
1,942	564	7,465	21,471	38,316
9,268	7,639	15,836	58,277	1,810,294
		1,127		361,530
415,424	472,866	781,267	3,356,012	7,626,284
321	1,945	1,063	19,359	109,087
				2,969
\$ 534,313	\$ 605,754	\$ 1,073,931	\$ 5,049,211	\$ 13,580,899

\$ 35,972	\$ 48,525	\$ 93,971	\$ 355,362	\$ 819,578
	821	137		7,754
77	3,825	5,000	13,667	28,794
		2,700	35,451	40,149
1,643	5,986	17,178	29,784	77,028
488				3,524
164		6,285	34,596	230,215
	1,408	2,890	2,136	9,798
59,477	83,003	125,078	358,475	3,786,130
264	33,457		137,295	212,312
98,085	177,025	253,239	966,766	5,215,282

				33,524
369,327	356,844	678,166	2,954,195	5,006,985
				283,075
				69,788
				1,296,120

			25,075	29,636
--	--	--	--------	--------

				4,500
				121,300
13,548	61,747	77,797	388,457	598,673
23,299	14,637	50,157	739,846	862,128
28,741				28,837
		14,572	11,948	26,880
1,313	(4,699)		(37,076)	4,171
436,228	428,729	820,692	4,062,445	8,365,617
\$ 534,313	\$ 605,754	\$ 1,073,931	\$ 5,049,211	\$ 13,580,899

**State of Illinois**

**Combining Balance Sheet**

**Component Units - Governmental Funds**

June 30, 1999 (Expressed in Thousands)

	Illinois Distance Learning Foundation	Illinois Literacy Foundation	Illinois Grain Insurance	Illinois Conservation Foundation	East St. Louis Finance Advisory Authority
<b>ASSETS</b>					
Cash and cash equivalents	\$ 48	\$ 40	\$ 4,002	\$ 4	\$ 751
Investments				71	2,232
Receivables, net:					
Intergovernmental					
Other			11		
Due from other funds					
Due from primary government			39		
Inventories				13	
Loans and notes receivable					1,785
Restricted assets				1,460	
Property, plant and equipment, net					
Other assets				203	
Amount to be provided for retirement of other obligations					
<b>Total assets</b>	<b>\$ 48</b>	<b>\$ 40</b>	<b>\$ 4,052</b>	<b>\$ 1,751</b>	<b>\$ 4,769</b>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities			\$ 165	\$ 43	
Due to other funds					
Deferred revenues					
Notes payable, long-term					
Other liabilities					
<b>Total liabilities</b>			<b>165</b>	<b>43</b>	
<b>EQUITY AND OTHER CREDITS</b>					
Investment in fixed assets					
Fund balances:					
Reserved for:					
Encumbrances					
Long-term portion of:					
Intergovernmental and other receivables					
Loans and notes receivable					\$ 1,450
Other					
Unreserved, undesignated	\$ 48	\$ 40	3,887	1,708	3,319
<b>Total equity and other credits</b>	<b>48</b>	<b>40</b>	<b>3,887</b>	<b>1,708</b>	<b>4,769</b>
<b>Total liabilities, equity and other credits</b>	<b>\$ 48</b>	<b>\$ 40</b>	<b>\$ 4,052</b>	<b>\$ 1,751</b>	<b>\$ 4,769</b>



East St. Louis Development Authority	Development Finance Authority	Housing Development Authority	Medical District Commission	Other	Total
\$ 2	\$ 200	\$ 44,061	\$ 219		\$ 49,327
		20,146	3,010		25,459
	4,500	2,112			6,612
		259	65		335
			181		181
					39
					13
		124,351			126,137
			18,274	\$ 205	1,460
			1		18,479
			2,969		204
					2,969
\$ 2	\$ 4,700	\$ 190,929	\$ 24,719	\$ 205	\$ 231,215
			\$ 40		\$ 248
	\$ 1	\$ 1,265	131		1,397
			65		65
			2,969		2,969
			3,010		3,010
	1	1,265	6,215		7,689
			18,274	\$ 205	18,479
		3,460			3,460
	4,500				4,500
		119,850			121,300
			96		96
\$ 2	199	66,354	134		75,691
2	4,699	189,664	18,504	205	223,526
\$ 2	\$ 4,700	\$ 190,929	\$ 24,719	\$ 205	\$ 231,215

**State of Illinois**

**Combining Statement of Revenues, Expenditures, Other Sources and Uses of  
Financial Resources and Changes in Fund Balances  
Component Units - Governmental Funds**

For the Year Ended June 30, 1999 (Expressed in Thousands)

	Illinois Distance Learning Foundation	Illinois Literacy Foundation	Illinois Grain Insurance	Illinois Conservation Foundation	East St. Louis Finance Advisory Authority
<b>REVENUES</b>					
Other taxes					
Federal government					
Licenses and fees			\$ 116		
Interest and other investment income	\$ 2		182	\$ 44	\$ 241
Other	1	\$ 6	402	2,595	251
<b>Total revenues</b>	<b>3</b>	<b>6</b>	<b>700</b>	<b>2,639</b>	<b>492</b>
<b>EXPENDITURES</b>					
Current:					
Health and social services					
Education	4				
General government		6	172		266
Natural resources and recreation				1,772	
Debt service:					
Principal					
Interest					
Capital outlays					
<b>Total expenditures</b>	<b>4</b>	<b>6</b>	<b>172</b>	<b>1,772</b>	<b>266</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(1)</b>	<b>--</b>	<b>528</b>	<b>867</b>	<b>226</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>					
Operating transfers-in					
Operating transfers from primary government					
Operating transfers-out					
Capital lease financing					
<b>Net other sources (uses) of financial resources</b>					
<b>Excess (deficiency) of revenues over (under) expenditures and net other sources (uses) of financial resources</b>	<b>(1)</b>	<b>--</b>	<b>528</b>	<b>867</b>	<b>226</b>
Fund balances, July 1, 1998	49	40	3,359	841	4,543
<b>FUND BALANCES, JUNE 30, 1999</b>	<b>\$ 48</b>	<b>\$ 40</b>	<b>\$ 3,887</b>	<b>\$ 1,708</b>	<b>\$ 4,769</b>

East St. Louis Development Authority	Development Finance Authority	Housing Development Authority	Medical District Commission	Other	Total
		\$ 26,838			\$ 26,838
		18,730			18,730
		31			147
		1,873	\$ 8		2,350
		4,443	4,402		12,100
		51,915	4,410		60,165
			1,085		1,085
					4
		14,439			14,883
					1,772
			75		75
			181		181
			3,111		3,111
		14,439	4,452		21,111
		37,476	(42)		39,054
			163		163
			3		3
		(8,013)	(154)		(8,167)
			57		57
		(8,013)	69		(7,944)
		29,463	27	--	31,110
\$ 2	\$ 4,699	160,201	203	--	173,937
\$ 2	\$ 4,699	\$ 189,664	\$ 230	\$ --	\$ 205,047



State of Illinois

Combining Balance Sheet

Component Units - Proprietary Funds

June 30, 1999 (Expressed in Thousands)

	Community Development Finance Corporation	Comprehensive Health Insurance Board	Farm Development Authority	Health Facilities Authority	Educational Facilities Authority	Development Finance Authority
<b>ASSETS</b>						
Cash and cash equivalents	\$ 6	\$ 18,499	\$ 11,112	\$ 1,629	\$ 176	\$ 22,693
Investments, short-term		68,588	800	5,890	617	
Other receivables		924	685	574	18	234
Due from other funds			2			3,852
Prepaid expenses		3		12	3	
Loans and notes receivable, current						2,150
Restricted assets (\$25,456 cash equivalents)						373
<b>Total current assets</b>	<b>6</b>	<b>88,014</b>	<b>12,599</b>	<b>8,105</b>	<b>814</b>	<b>29,302</b>
Investments			1,392			3,429
Loans and notes receivable						4,675
Restricted assets						2,752
Property, plant & equipment, net		99	47	28		19
Other assets				4		
<b>Total assets</b>	<b>\$ 6</b>	<b>\$ 88,113</b>	<b>\$ 14,038</b>	<b>\$ 8,137</b>	<b>\$ 814</b>	<b>\$ 40,177</b>
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities		\$ 4,517	\$ 76	\$ 38	\$ 69	\$ 731
Intergovernmental payables						1,706
Due to other funds			2			3,851
Due to primary government		7	1			
Deferred revenues				49		
Notes payable, current						
Revenue bonds payable, current						
Other liabilities		16,467				
<b>Total current liabilities</b>		<b>20,991</b>	<b>79</b>	<b>87</b>	<b>69</b>	<b>6,288</b>
Notes payable						
Revenue bonds payable						
Other obligations						
<b>Total liabilities</b>		<b>20,991</b>	<b>79</b>	<b>87</b>	<b>69</b>	<b>6,288</b>
<b>FUND EQUITY</b>						
Contributed capital			12,232			18,508
Retained earnings:						
Reserved for:						
Revenue bond and note retirement						
Other		67,122		1,150		
Unreserved	\$ 6		1,727	6,900	745	15,381
<b>Total fund equity</b>	<b>6</b>	<b>67,122</b>	<b>13,959</b>	<b>8,050</b>	<b>745</b>	<b>33,889</b>
<b>Total liabilities and fund equity</b>	<b>\$ 6</b>	<b>\$ 88,113</b>	<b>\$ 14,038</b>	<b>\$ 8,137</b>	<b>\$ 814</b>	<b>\$ 40,177</b>

\* Information as of December 31, 1998.

Housing Development Authority	Rural Bond Bank	State Toll Highway Authority*	Quad Cities Regional Economic Development	Southwestern Illinois Development Authority	Upper II River Valley Development Authority	Total
\$ 8,235	\$ 486	\$ 288,458	\$ 140	\$ 1,772	\$ 140	\$ 353,346
412,034	22,441			191		510,561
24,079	1,809	11,775	116	392		40,606
1,265						5,119
	3	4,575		19		4,615
31,746				5		33,901
26,516		59,426		581		86,896
503,875	24,739	364,234	256	2,960	140	1,035,044
351,941	3,000					359,762
1,452,325	90,170			21		1,547,191
122,690	7,109	139,496				272,047
722	35	1,829,568		623		1,831,141
74,948		6,284		3,030		84,266
\$ 2,506,501	\$ 125,053	\$ 2,339,582	\$ 256	\$ 6,634	\$ 140	\$ 5,129,451
\$ 83,487	\$ 85	\$ 94,265	\$ 2	\$ 15		\$ 183,285
	5,090					6,796
3						3,856
	14					22
		2,101		5		2,155
				11		11
111,131	3,895	27,835				142,861
130,567	2,291	30,228		2,963		182,516
325,188	11,375	154,429	2	2,994		521,502
				80		80
1,948,853	84,690	866,730				2,900,273
	25,000		89			25,089
2,274,041	121,065	1,021,159	91	3,074		3,446,944
	2,784					33,524
128,886	7,117	147,072				283,075
		1,206		310		69,788
103,574	(5,913)	1,170,145	165	3,250	\$ 140	1,296,120
232,460	3,988	1,318,423	165	3,560	140	1,682,507
\$ 2,506,501	\$ 125,053	\$ 2,339,582	\$ 256	\$ 6,634	\$ 140	\$ 5,129,451

**State of Illinois**

**Combining Statement of Revenues, Expenses and  
Changes in Retained Earnings  
Component Units - Proprietary Funds**

For the Year Ended June 30, 1999 (Expressed in Thousands)

	Community Development Finance Corporation	Comprehensive Health Insurance Board	Farm Development Authority	Health Facilities Authority	Educational Facilities Authority	Development Finance Authority
<b>OPERATING REVENUES</b>						
Charges for sales and services		\$ 25,046	\$ 586	\$ 1,306	\$ 373	\$ 2,252
Interest and other investment income			504			599
Other						29
<b>Total operating revenues</b>		<b>25,046</b>	<b>1,090</b>	<b>1,306</b>	<b>373</b>	<b>2,880</b>
<b>OPERATING EXPENSES</b>						
Cost of sales and services				663		
Benefit payments and refunds		46,694				
Interest						
General and administrative		3,568	263	767	335	2,969
Depreciation		59	14	14		40
Other			543	11		
<b>Total operating expenses</b>		<b>50,321</b>	<b>820</b>	<b>1,455</b>	<b>335</b>	<b>3,009</b>
<b>Operating income (loss)</b>		<b>(25,275)</b>	<b>270</b>	<b>(149)</b>	<b>38</b>	<b>(129)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Interest and investment income		4,618	152	293	36	889
Interest expense						(51)
Other revenues		6,700				
Other expenses						
<b>Income (loss) before operating transfers</b>		<b>(13,957)</b>	<b>422</b>	<b>144</b>	<b>74</b>	<b>709</b>
Operating transfers-in			658			313
Operating transfers from primary government		15,324				
Operating transfers-out						(313)
<b>Net income</b>		<b>1,367</b>	<b>1,080</b>	<b>144</b>	<b>74</b>	<b>709</b>
Retained earnings, July 1, 1998, as previously reported	\$ 6	65,755	647	7,906	671	14,672
Restatement of fund balances						
Retained earnings, July 1, 1998, as restated	6	65,755	647	7,906	671	14,672
<b>RETAINED EARNINGS, JUNE 30, 1999</b>	<b>\$ 6</b>	<b>\$ 67,122</b>	<b>\$ 1,727</b>	<b>\$ 8,050</b>	<b>\$ 745</b>	<b>\$ 15,381</b>

\* Information is for the six months ended December 31, 1998



Housing Development Authority	Rural Bond Bank	State Toll Highway Authority*	Quad Cities Regional Economic Development	Southwestern Illinois Development Authority	Upper II River Valley Development Authority	Total
\$ 7,579		\$ 173,220		\$ 960	\$ 63	\$ 211,385
106,164	\$ 6,504			33	7	113,811
155,948	632		\$ 39	226		156,874
269,691	7,136	173,220	39	1,219	70	482,070
		47,582			34	48,279
						46,694
	6,090					6,090
161,769	634	19,033	154	358	30	189,880
358	8	59,133		18		59,644
	715					1,269
162,127	7,447	125,748	154	376	64	351,866
107,564	(311)	47,472	(115)	843	6	130,214
36,651		13,529	11	68		56,247
(135,939)		(29,602)		(6)		(165,598)
				45		6,745
		(1,672)				(1,672)
8,276	(311)	29,727	(104)	950	6	25,936
8,013						8,984
	254					15,578
						(313)
16,289	(57)	29,727	(104)	950	6	50,185
216,171	1,261	1,400,048	269	2,610	134	1,710,150
		(111,352)				(111,352)
216,171	1,261	1,288,696	269	2,610	134	1,598,798
\$ 232,460	\$ 1,204	\$ 1,318,423	\$ 165	\$ 3,560	\$ 140	\$ 1,648,983

State of Illinois

**Combining Statement of Cash Flows**  
**Component Units - Proprietary Funds**

For the Year Ended June 30, 1999 (Expressed in Thousands)

	Community Development Finance Corporation	Comprehensive Health Insurance Board	Farm Development Authority	Health Facilities Authority	Educational Facilities Authority	Development Finance Authority
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Cash received from sales and services		\$ 25,196	\$ 979	\$ 1,280	\$ 374	
Cash payments to suppliers for goods and services		(45,853)	(756)	(994)		
Cash payments to employees for services			(451)	(434)		
Cash receipts from other operating activities			508			\$ 720
Cash payments for other operating activities					(359)	(344)
Net cash provided (used) by operating activities		(20,657)	280	(148)	15	376
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Proceeds from sale of revenue bonds and other borrowing						
Principal paid on revenue bonds and other borrowing						(30)
Interest paid on revenue bonds and other borrowing						313
Operating transfers-in from other funds						
Operating transfers from primary government		15,324	658			
Operating transfers-out to other funds						(313)
Other noncapital financing activities		6,700				
Net cash provided (used) by noncapital financing activities		22,024	658			(30)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Proceeds from sale of revenue bonds						
Acquisition and construction of capital assets		(45)	(22)	(3)		(11)
Principal paid on bond maturities and equipment contracts						
Interest paid on bond maturities and equipment contracts						
Proceeds from sale of equipment						
Other capital and related financing activities						
Net cash used in capital and related financing activities		(45)	(22)	(3)		(11)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Purchase of investment securities		(44,892)	(400)	(73,831)	(609)	(666)
Proceeds from sale and maturities of investment securities		43,250	200	70,860	625	4,098
Interest and dividends on investments		4,971	150	394	7	1,273
Net cash provided (used) by investing activities		3,329	(50)	(2,577)	23	4,705
<b>Net increase (decrease) in cash and cash equivalents</b>		4,651	866	(2,728)	38	5,040
Cash and cash equivalents, July 1, 1998	\$ 6	13,848	10,246	4,357	138	17,653
<b>CASH AND CASH EQUIVALENTS, JUNE 30, 1999</b>	\$ 6	\$ 18,499	\$ 11,112	\$ 1,629	\$ 176	\$ 22,693
<b>Reconciliation of cash and cash equivalents to the balance sheet:</b>						
Total cash and cash equivalents per the balance sheet	\$ 6	\$ 18,499	\$ 11,112	\$ 1,629	\$ 176	\$ 22,693
Add: restricted cash equivalents						
<b>CASH AND CASH EQUIVALENTS, JUNE 30, 1999</b>	\$ 6	\$ 18,499	\$ 11,112	\$ 1,629	\$ 176	\$ 22,693
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>						
<b>OPERATING INCOME (LOSS)</b>	\$ --	\$ (25,275)	\$ 270	\$ (149)	\$ 38	\$ (129)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation		59	14	13		40
Provision for uncollectible accounts			100			
Changes in assets and liabilities:						
(Increase) decrease in accounts receivable		150	(100)	(15)	1	542
(Increase) decrease in due from other funds						331
(Increase) decrease in prepaid expenses		2			(2)	17
Increase (decrease) in accounts payable and accrued liabilities		10	(7)	10	(22)	39
Increase (decrease) in intergovernmental payables						(150)
Increase (decrease) in due to other funds			2			(331)
Increase (decrease) in due to primary government		1				
Increase (decrease) in deferred revenues				(7)		
Increase (decrease) in other liabilities		4,396				17
Other			1			
Total adjustments		4,618	10	1	(23)	505
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	\$ --	\$ (20,657)	\$ 280	\$ (148)	\$ 15	\$ 376

\* Information is for the six months ended December 31, 1998



Housing Development Authority	Rural Bond Bank	State Toll Highway Authority*	Quad Cities Regional Economic Development	Southwestern Illinois Development Authority	Upper Il River Valley Development Authority	Total
\$ 304,200 (10,690) (7,639) 159,167 (325,367) 119,671	\$ 7,010 (17,077) (10,067)	\$ 179,344 (9,880) (41,718) 115,364	\$ 48 (54) (11) (17)	\$ 939 (244) (134) 33 (464) 130	\$ 70 (34) (30) 6	\$ 512,430 (68,505) (50,376) 167,427 (356,023) 204,953
231,105 (234,517) (128,004) 8,013	42,290 (33,295)			23 (29)		273,418 (267,841) (128,034) 8,326 16,224 (313) 3,369 (94,851)
(3,331) (126,734)	242 9,237			(6)		
(411)	(6)	343,467 (135,333)		(1,042)		343,467 (136,873)
	8	(29,927) 316 (385,253)				(29,927) 324 (385,198)
(411)	2	(206,730)		(987)		(208,207)
(1,834,251) 1,805,849 37,275 8,873	(22,441) 23,303 13 875	(432,866) 453,844 6,114 27,092	25 11 36	(26) 62 36		(2,409,982) 2,402,054 50,270 42,342
1,399	47	(64,274)	19	(827)	6	(55,763)
6,904	439	377,539	121	3,180	134	434,565
\$ 8,303	\$ 486	\$ 313,265	\$ 140	\$ 2,353	\$ 140	\$ 378,802
\$ 8,235 68	\$ 486	\$ 288,458 24,807	\$ 140	\$ 1,772 581	\$ 140	\$ 353,346 25,456
\$ 8,303	\$ 486	\$ 313,265	\$ 140	\$ 2,353	\$ 140	\$ 378,802
\$ 107,564	\$ (311)	\$ 47,472	\$ (115)	\$ 843	\$ 6	\$ 130,214
358 1,320	8	59,133 231		18		59,643 1,651
19,297 20,227	(14,709)	4,022	10	(131)		9,067 20,558
(52,251)	2 50 5,078 (20,305)	(677) 3,082	(1)			(658) (49,090) 4,928 (20,646) 14
150 43,311 12,107	216 (402) (9,756)	2,101 67,892	89 98	(560) (40) (713)		2,094 4,308 42,870 74,739
\$ 119,671	\$ (10,067)	\$ 115,364	\$ (17)	\$ 130	\$ 6	\$ 204,953



**This Page Intentionally Left Blank**

# BUDGETARY SCHEDULES

Budgetary Schedules provide a comparison of the legally adopted budgeted amounts with actual results of operations on a budgetary (Non-GAAP) basis.

**This Page Intentionally Left Blank**



# State of Illinois

## Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) General Funds

For the Year Ended June 30, 1999 (Expressed in Thousands)

	General Revenue			Special Account		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Income taxes	\$ 7,499,000	\$ 7,737,965	\$ 238,965			
Sales taxes	4,110,000	4,213,909	103,909	\$ 1,370,000	\$ 1,394,736	\$ 24,736
Public utility taxes	880,000	877,669	(2,331)			
Federal government	3,543,000	3,600,272	57,272			
Other	1,388,000	1,629,351	241,351			
Less:						
Refunds	34,741	29,737	(5,004)			
<b>Total revenues</b>	<b>17,385,259</b>	<b>18,029,429</b>	<b>644,170</b>	<b>1,370,000</b>	<b>1,394,736</b>	<b>24,736</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services	8,224,240	8,119,346	(104,894)			
Education	3,682,436	3,657,054	(25,382)			
General government	1,294,586	1,259,182	(35,404)			
Transportation	51,641	51,228	(413)			
Social assistance	846,203	836,531	(9,672)			
Public protection and justice	1,578,296	1,546,749	(31,547)			
Natural resources and recreation	179,617	176,098	(3,519)			
Capital outlays	75,741	75,139	(602)			
<b>Total expenditures</b>	<b>15,932,760</b>	<b>15,721,327</b>	<b>(211,433)</b>			
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>1,452,499</b>	<b>2,308,102</b>	<b>855,603</b>	<b>1,370,000</b>	<b>1,394,736</b>	<b>24,736</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in	422,000	529,179	107,179			
Operating transfers-out	(2,933,709)	(2,933,709)	--	(1,386,049)	(1,386,049)	--
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<b>(1,059,210)</b>	<b>(96,428)</b>	<b>962,782</b>	<b>(16,049)</b>	<b>8,687</b>	<b>24,736</b>
Budgetary fund balances (deficits), July 1, 1998	280,793	280,793	--	59,382	59,382	--
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1999</b>	<b>\$ (778,417)</b>	<b>\$ 184,365</b>	<b>\$ 962,782</b>	<b>\$ 43,333</b>	<b>\$ 68,069</b>	<b>\$ 24,736</b>

Education Assistance			Common School			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 591,000	\$ 609,714	\$ 18,714				\$ 8,090,000	\$ 8,347,679	\$ 257,679
						5,480,000	5,608,645	128,645
			\$ 110,000	\$ 113,481	\$ 3,481	990,000	991,150	1,150
						3,543,000	3,600,272	57,272
			188,000	188,121	121	1,576,000	1,817,472	241,472
						34,741	29,737	(5,004)
591,000	609,714	18,714	298,000	301,602	3,602	19,644,259	20,335,481	691,222
						8,224,240	8,119,346	(104,894)
625,847	623,509	(2,338)	3,044,786	3,043,391	(1,395)	7,353,069	7,323,954	(29,115)
						1,294,586	1,259,182	(35,404)
						51,641	51,228	(413)
						846,203	836,531	(9,672)
						1,578,296	1,546,749	(31,547)
						179,617	176,098	(3,519)
3,546	3,541	(5)				79,287	78,680	(607)
629,393	627,050	(2,343)	3,044,786	3,043,391	(1,395)	19,606,939	19,391,768	(215,171)
(38,393)	(17,336)	21,057	(2,746,786)	(2,741,789)	4,997	37,320	943,713	906,393
227,000	250,792	23,792	2,773,000	2,743,009	(29,991)	3,422,000	3,522,980	100,980
(149)	(149)	--	(103)	(103)	--	(4,320,010)	(4,320,010)	--
188,458	233,307	44,849	26,111	1,117	(24,994)	(860,690)	146,683	1,007,373
(25,281)	(25,281)	--	40,998	40,998	--	355,892	355,892	--
\$ 163,177	\$ 208,026	\$ 44,849	\$ 67,109	\$ 42,115	\$ (24,994)	\$ (504,798)	\$ 502,575	\$ 1,007,373



# State of Illinois

## Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Highway Funds

For the Year Ended June 30, 1999 (Expressed in Thousands)

	Road			Motor Fuel Tax-State		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Motor fuel taxes				\$ 1,214,900	\$ 1,264,877	\$ 49,977
Federal government	\$ 611,600	\$ 644,470	\$ 32,870	--	131	131
Other	516,200	551,427	35,227	--	727	727
Less:						
Refunds	1,544	1,538	(6)	14,000	12,331	(1,669)
<b>Total revenues</b>	<b>1,126,256</b>	<b>1,194,359</b>	<b>68,103</b>	<b>1,200,900</b>	<b>1,253,404</b>	<b>52,504</b>
<b>EXPENDITURES:</b>						
Current:						
General government	203,947	199,860	(4,087)	85,692	66,519	(19,173)
Transportation	1,146,948	1,123,326	(23,622)	8,973	8,432	(541)
Social assistance	2,000	1,466	(534)			
Public protection and justice	52,733	52,733	--			
Capital outlays	19,292	18,811	(481)	276	275	(1)
<b>Total expenditures</b>	<b>1,424,920</b>	<b>1,396,196</b>	<b>(28,724)</b>	<b>94,941</b>	<b>75,226</b>	<b>(19,715)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(298,664)</b>	<b>(201,837)</b>	<b>96,827</b>	<b>1,105,959</b>	<b>1,178,178</b>	<b>72,219</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in	426,400	433,841	7,441	96,700	99,119	2,419
Operating transfers-out	(188,160)	(188,160)	--	(1,265,523)	(1,265,523)	--
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<b>(60,424)</b>	<b>43,844</b>	<b>104,268</b>	<b>(62,864)</b>	<b>11,774</b>	<b>74,638</b>
Budgetary fund balances (deficits), July 1, 1998	370,980	370,980	--	105,536	105,536	--
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1999</b>	<b>\$ 310,556</b>	<b>\$ 414,824</b>	<b>\$ 104,268</b>	<b>\$ 42,672</b>	<b>\$ 117,310</b>	<b>\$ 74,638</b>



Grade Crossing Protection			State Construction Account			Motor Fuel Tax-Counties		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 100	\$ --	\$ (100)	\$ 297,154	\$ 304,539	\$ 7,385			
100	--	(100)	297,154	304,539	7,385			
18,290	18,176	(114)	515,920	515,920	--	\$ 175,820	\$ 174,572	\$ (1,248)
18,290	18,176	(114)	515,920	515,920	--	175,820	174,572	(1,248)
(18,190)	(18,176)	14	(218,766)	(211,381)	7,385	(175,820)	(174,572)	1,248
18,000	18,000	--	280,228	293,071	12,843	168,800	171,736	2,936
(1,501)	(1,501)	--	(44)	(44)	--			
(1,691)	(1,677)	14	61,418	81,646	20,228	(7,020)	(2,836)	4,184
41,253	41,253	--	229,668	229,668	--	(14,029)	(14,029)	--
\$ 39,562	\$ 39,576	\$ 14	\$ 291,086	\$ 311,314	\$ 20,228	\$ (21,049)	\$ (16,865)	\$ 4,184

(continued)

# State of Illinois

## Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Highway Funds

For the Year Ended June 30, 1999 (Expressed in Thousands)

(continued)

	Motor Fuel Tax-Municipalities			Motor Fuel Tax-Township		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Motor fuel taxes						
Federal government						
Other						
Less:						
Refunds						
<b>Total revenues</b>						
<b>EXPENDITURES:</b>						
Current:						
General government						
Transportation	\$ 246,580	\$ 244,829	\$ (1,751)	\$ 79,800	\$ 79,233	\$ (567)
Social assistance						
Public protection and justice						
Capital outlays						
<b>Total expenditures</b>	<b>246,580</b>	<b>244,829</b>	<b>(1,751)</b>	<b>79,800</b>	<b>79,233</b>	<b>(567)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(246,580)</b>	<b>(244,829)</b>	<b>1,751</b>	<b>(79,800)</b>	<b>(79,233)</b>	<b>567</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in	236,700	240,853	4,153	76,600	77,946	1,346
Operating transfers-out						
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<b>(9,880)</b>	<b>(3,976)</b>	<b>5,904</b>	<b>(3,200)</b>	<b>(1,287)</b>	<b>1,913</b>
Budgetary fund balances (deficits), July 1, 1998	(19,676)	(19,676)	--	(6,368)	(6,368)	--
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1999</b>	<b>\$ (29,556)</b>	<b>\$ (23,652)</b>	<b>\$ 5,904</b>	<b>\$ (9,568)</b>	<b>\$ (7,655)</b>	<b>\$ 1,913</b>

Total		
Final Budget	Actual	Variance Over (Under)
\$ 1,214,900	\$ 1,264,877	\$ 49,977
611,600	644,601	33,001
813,454	856,693	43,239
15,544	13,869	(1,675)
2,624,410	2,752,302	127,892
289,639	266,379	(23,260)
2,192,331	2,164,488	(27,843)
2,000	1,466	(534)
52,733	52,733	--
19,568	19,086	(482)
2,556,271	2,504,152	(52,119)
68,139	248,150	180,011
1,303,428	1,334,566	31,138
(1,455,228)	(1,455,228)	--
(83,661)	127,488	211,149
707,364	707,364	--
\$ 623,703	\$ 834,852	\$ 211,149



# State of Illinois

## Combining Schedule of Revenues, Expenditures, Other Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) University Funds

For the Year Ended June 30, 1999 (Expressed in Thousands)

	Other			Total		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Federal government	\$ 31	\$ 9	\$ (22)	\$ 31	\$ 9	\$ (22)
Other	406	447	41	406	447	41
Less:						
Refunds	2	--	(2)	2	--	(2)
Total revenues	435	456	21	435	456	21
<b>EXPENDITURES:</b>						
Current:						
Education	497	373	(124)	497	373	(124)
Capital outlays	20	--	(20)	20	--	(20)
Total expenditures	517	373	(144)	517	373	(144)
Excess (deficiency) of revenues (under) expenditures	(82)	83	165	(82)	83	165
<b>OTHER (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-out	(1)	(1)	--	(1)	(1)	--
Excess (deficiency) of revenues (under) expenditures and other (uses) of financial resources	(83)	82	165	(83)	82	165
Budgetary fund balances (deficits), July 1, 1998	115	115	--	115	115	--
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1999	\$ 32	\$ 197	\$ 165	\$ 32	\$ 197	\$ 165

**This Page Intentionally Left Blank**

# State of Illinois

## Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds

For the Year Ended June 30, 1999 (Expressed in Thousands)

	Code Departments			Agencies, Boards & Commissions		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Income taxes	\$ 1,720,608	\$ 1,720,608	\$ --			
Sales taxes	532,451	545,140	12,689			
Motor fuel taxes				\$ 62,900	\$ 63,846	\$ 946
Public utility taxes	286,240	287,307	1,067	86,000	101,488	15,488
Federal government	1,194,904	1,171,667	(23,237)	251,000	280,114	29,114
Other	3,111,632	3,154,495	42,863	145,081	179,129	34,048
Less:						
Refunds	901,028	897,108	(3,920)	222	71	(151)
<b>Total revenues</b>	<b>5,944,807</b>	<b>5,982,109</b>	<b>37,302</b>	<b>544,759</b>	<b>624,506</b>	<b>79,747</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services	2,102,254	1,865,390	(236,864)			
Education				252,250	232,632	(19,618)
General government	3,467,785	3,386,857	(80,928)	81,267	65,798	(15,469)
Transportation	234,923	211,558	(23,365)			
Social assistance						
Public protection and justice	82,010	35,217	(46,793)	3,220	2,828	(392)
Natural resources and recreation	28,183	26,638	(1,545)	236,977	200,107	(36,870)
Capital outlays	1,956	1,770	(186)	297	283	(14)
<b>Total expenditures</b>	<b>5,917,111</b>	<b>5,527,430</b>	<b>(389,681)</b>	<b>574,011</b>	<b>501,648</b>	<b>(72,363)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>27,696</b>	<b>454,679</b>	<b>426,983</b>	<b>(29,252)</b>	<b>122,858</b>	<b>152,110</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in	1,588,910	1,638,053	49,143	56,612	55,366	(1,246)
Operating transfers-out	(1,565,563)	(1,565,563)	--	(23,869)	(23,869)	--
<b>Budgetary funds-nonbudgeted accounts</b>	<b>(123,245)</b>	<b>(123,245)</b>	<b>--</b>			
<b>Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources and budgetary funds-nonbudgeted accounts</b>	<b>(72,202)</b>	<b>403,924</b>	<b>476,126</b>	<b>3,491</b>	<b>154,355</b>	<b>150,864</b>
<b>Budgetary fund balances (deficits), July 1, 1998 as previously reported</b>	<b>473,441</b>	<b>473,441</b>	<b>--</b>	<b>192,239</b>	<b>192,239</b>	<b>--</b>
<b>Reclassifications between budgetary/nonbudgetary funds-net</b>						
<b>Budgetary fund balances (deficits), July 1, 1998, as reclassified</b>	<b>473,441</b>	<b>473,441</b>	<b>--</b>	<b>192,239</b>	<b>192,239</b>	<b>--</b>
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1999</b>	<b>\$ 401,239</b>	<b>\$ 877,365</b>	<b>\$ 476,126</b>	<b>\$ 195,730</b>	<b>\$ 346,594</b>	<b>\$ 150,864</b>



Other			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 15,488	\$ 16,062	\$ 574	\$ 1,720,608	\$ 1,720,608	\$ ---
			547,939	561,202	13,263
			62,900	63,846	946
16,096	14,620	(1,476)	388,336	403,415	15,079
74,196	72,576	(1,620)	1,520,100	1,524,357	4,257
512,651	525,597	12,946	3,769,364	3,859,221	89,857
4,603	1,016	(3,587)	905,853	898,195	(7,658)
613,828	627,839	14,011	7,103,394	7,234,454	131,060
159,784	102,553	(57,231)	2,262,038	1,967,943	(294,095)
35,760	23,374	(12,386)	288,010	256,006	(32,004)
280,582	208,847	(71,735)	3,829,634	3,661,502	(168,132)
22,374	20,833	(1,541)	257,297	232,391	(24,906)
22,692	21,713	(979)	22,692	21,713	(979)
204,939	170,949	(33,990)	290,169	208,994	(81,175)
193,340	158,107	(35,233)	458,500	384,852	(73,648)
11,134	10,049	(1,085)	13,387	12,102	(1,285)
930,605	716,425	(214,180)	7,421,727	6,745,503	(676,224)
(316,777)	(88,586)	228,191	(318,333)	488,951	807,284
170,800	180,648	9,848	1,816,322	1,874,067	57,745
(38,729)	(38,729)	--	(1,628,161)	(1,628,161)	--
(1,631)	(1,631)	--	(124,876)	(124,876)	--
(186,337)	51,702	238,039	(255,048)	609,981	865,029
389,076	389,076	--	1,054,756	1,054,756	--
(578)	(578)	--	(578)	(578)	--
388,498	388,498	--	1,054,178	1,054,178	--
\$ 202,161	\$ 440,200	\$ 238,039	\$ 799,130	\$ 1,664,159	\$ 865,029

# State of Illinois

## Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Code Departments

For the Year Ended June 30, 1999 (Expressed in Thousands)

	Central Management Services			Commerce and Community Affairs		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Income taxes						
Sales taxes						
Public utility taxes				\$ 76,000	\$ 77,067	\$ 1,067
Federal government	\$ 15,193	\$ 21,986	\$ 6,793			
Other	869,012	892,548	23,536	4,840	8,910	4,070
Less:						
Refunds						
<b>Total revenues</b>	<b>884,205</b>	<b>914,534</b>	<b>30,329</b>	<b>80,840</b>	<b>85,977</b>	<b>5,137</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services						
General government	781,496	780,148	(1,348)	106,379	99,406	(6,973)
Transportation						
Public protection and justice						
Natural resources and recreation						
Capital outlays				120	119	(1)
<b>Total expenditures</b>	<b>781,496</b>	<b>780,148</b>	<b>(1,348)</b>	<b>106,499</b>	<b>99,525</b>	<b>(6,974)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>102,709</b>	<b>134,386</b>	<b>31,677</b>	<b>(25,659)</b>	<b>(13,548)</b>	<b>12,111</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in	--	2	2	314,400	345,820	31,420
Operating transfers-out				(38,051)	(38,051)	--
<b>Budgetary funds-nonbudgeted accounts</b>	<b>(123,245)</b>	<b>(123,245)</b>	<b>--</b>			
<b>Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources and budgetary funds-nonbudgeted accounts</b>	<b>(20,536)</b>	<b>11,143</b>	<b>31,679</b>	<b>250,690</b>	<b>294,221</b>	<b>43,531</b>
Budgetary fund balances (deficits), July 1, 1998	(29,556)	(29,556)	--	41,621	41,621	--
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1999</b>	<b>\$ (50,092)</b>	<b>\$ (18,413)</b>	<b>\$ 31,679</b>	<b>\$ 292,311</b>	<b>\$ 335,842</b>	<b>\$ 43,531</b>

Human Services			Public Aid			Revenue		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
						\$ 1,720,608	\$ 1,720,608	\$ --
						532,451	545,140	12,689
						210,240	210,240	--
\$ 62,525	\$ 65,473	\$ 2,948	\$ 700,945	\$ 693,866	\$ (7,079)			
28,658	26,335	(2,323)	712,786	712,067	(719)	478,961	518,259	39,298
100	9	(91)	6,250	2,530	(3,720)	893,927	893,852	(75)
91,083	91,799	716	1,407,481	1,403,403	(4,078)	2,048,333	2,100,395	52,062
99,154	80,211	(18,943)	1,550,048	1,349,387	(200,661)			
						2,114,712	2,112,760	(1,952)
5	--	(5)				97	83	(14)
99,159	80,211	(18,948)	1,550,048	1,349,387	(200,661)	2,114,809	2,112,843	(1,966)
(8,076)	11,588	19,664	(142,567)	54,016	196,583	(66,476)	(12,448)	54,028
--	15	15	44,700	44,756	56	1,003,646	1,010,986	7,340
(1,422)	(1,422)	--	(73,120)	(73,120)	--	(889,638)	(889,638)	--
(9,498)	10,181	19,679	(170,987)	25,652	196,639	47,532	108,900	61,368
(346)	(346)	--	(11,507)	(11,507)	--	355,387	355,387	--
\$ (9,844)	\$ 9,835	\$ 19,679	\$ (182,494)	\$ 14,145	\$ 196,639	\$ 402,919	\$ 464,287	\$ 61,368

(continued)



# State of Illinois

## Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Code Departments

For the Year Ended June 30, 1999 (Expressed in Thousands)

(continued)

	Transportation			Other Code Departments		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Income taxes						
Sales taxes						
Public utility taxes						
Federal government				\$ 416,241	\$ 390,342	\$ (25,899)
Other				1,017,375	996,376	(20,999)
Less:						
Refunds				751	717	(34)
<b>Total revenues</b>				<b>1,432,865</b>	<b>1,386,001</b>	<b>(46,864)</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services				453,052	435,792	(17,260)
General government				465,198	394,543	(70,655)
Transportation	\$ 234,923	\$ 211,558	\$ (23,365)			
Public protection and justice				82,010	35,217	(46,793)
Natural resources and recreation				28,183	26,638	(1,545)
Capital outlays				1,734	1,568	(166)
<b>Total expenditures</b>	<b>234,923</b>	<b>211,558</b>	<b>(23,365)</b>	<b>1,030,177</b>	<b>893,758</b>	<b>(136,419)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(234,923)</b>	<b>(211,558)</b>	<b>23,365</b>	<b>402,688</b>	<b>492,243</b>	<b>89,555</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in	211,994	219,382	7,388	14,170	17,092	2,922
Operating transfers-out	(5,668)	(5,668)	--	(557,664)	(557,664)	--
<b>Budgetary funds-nonbudgeted accounts</b>						
<b>Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources and budgetary funds-nonbudgeted accounts</b>	<b>(28,597)</b>	<b>2,156</b>	<b>30,753</b>	<b>(140,806)</b>	<b>(48,329)</b>	<b>92,477</b>
Budgetary fund balances (deficits), July 1, 1998	12,809	12,809	--	105,033	105,033	--
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1999</b>	<b>\$ (15,788)</b>	<b>\$ 14,965</b>	<b>\$ 30,753</b>	<b>\$ (35,773)</b>	<b>\$ 56,704</b>	<b>\$ 92,477</b>

Total		
Final Budget	Actual	Variance Over (Under)
\$ 1,720,608	\$ 1,720,608	\$ --
532,451	545,140	12,689
286,240	287,307	1,067
1,194,904	1,171,667	(23,237)
3,111,632	3,154,495	42,863
901,028	897,108	(3,920)
5,944,807	5,982,109	37,302

2,102,254	1,865,390	(236,864)
3,467,785	3,386,857	(80,928)
234,923	211,558	(23,365)
82,010	35,217	(46,793)
28,183	26,638	(1,545)
1,956	1,770	(186)
5,917,111	5,527,430	(389,681)
27,696	454,679	426,983

1,588,910	1,638,053	49,143
(1,565,563)	(1,565,563)	--
(123,245)	(123,245)	--

(72,202)	403,924	476,126
473,441	473,441	--
\$ 401,239	\$ 877,365	\$ 476,126

# State of Illinois

## Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Department of Central Management Services

For the Year Ended June 30, 1999 (Expressed in Thousands)

	State Employees Deferred Compensation Plan			Health Insurance Reserve		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Federal government				\$ 15,193	\$ 21,986	\$ 6,793
Other	\$ 124,518	\$ 124,518	\$ --	744,494	768,030	23,536
<b>Total revenues</b>	<b>124,518</b>	<b>124,518</b>	<b>--</b>	<b>759,687</b>	<b>790,016</b>	<b>30,329</b>
<b>EXPENDITURES:</b>						
Current:						
General government	1,804	1,130	(674)	779,692	779,018	(674)
<b>Total expenditures</b>	<b>1,804</b>	<b>1,130</b>	<b>(674)</b>	<b>779,692</b>	<b>779,018</b>	<b>(674)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>122,714</b>	<b>123,388</b>	<b>674</b>	<b>(20,005)</b>	<b>10,998</b>	<b>31,003</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in	--	2	2			
<b>Budgetary funds-nonbudgeted accounts</b>	<b>(123,245)</b>	<b>(123,245)</b>	<b>--</b>			
<b>Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources and budgetary funds-nonbudgeted accounts</b>	<b>(531)</b>	<b>145</b>	<b>676</b>	<b>(20,005)</b>	<b>10,998</b>	<b>31,003</b>
Budgetary fund balances (deficits), July 1, 1998	3,232	3,232	--	(32,788)	(32,788)	--
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1999</b>	<b>\$ 2,701</b>	<b>\$ 3,377</b>	<b>\$ 676</b>	<b>\$ (52,793)</b>	<b>\$ (21,790)</b>	<b>\$ 31,003</b>



Total		
Final Budget	Actual	Variance Over (Under)
\$ 15,193	\$ 21,986	\$ 6,793
869,012	892,548	23,536
884,205	914,534	30,329

781,496	780,148	(1,348)
781,496	780,148	(1,348)

102,709	134,386	31,677
---------	---------	--------

--	2	2
(123,245)	(123,245)	--

(20,536)	11,143	31,679
(29,556)	(29,556)	--
\$ (50,092)	\$ (18,413)	\$ 31,679

## State of Illinois

### Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Department of Commerce and Community Affairs

For the Year Ended June 30, 1999 (Expressed in Thousands)

	Metropolitan Exposition Auditorium and Office Building			Supplemental Low Income Energy		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Public utility taxes				\$ 76,000	\$ 77,067	\$ 1,067
Other	\$ 4,800	\$ 8,910	\$ 4,110			
<b>Total revenues</b>	<b>4,800</b>	<b>8,910</b>	<b>4,110</b>	<b>76,000</b>	<b>77,067</b>	<b>1,067</b>
<b>EXPENDITURES:</b>						
Current:						
General government				76,000	70,528	(5,472)
Capital outlays						
<b>Total expenditures</b>				<b>76,000</b>	<b>70,528</b>	<b>(5,472)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>4,800</b>	<b>8,910</b>	<b>4,110</b>	<b>-- --</b>	<b>6,539</b>	<b>6,539</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in	-- --	29,173	29,173			
Operating transfers-out	(38,036)	(38,036)	-- --			
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<b>(33,236)</b>	<b>47</b>	<b>33,283</b>	<b>-- --</b>	<b>6,539</b>	<b>6,539</b>
Budgetary fund balances, July 1, 1998	31,719	31,719	-- --	3,141	3,141	-- --
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1999</b>	<b>\$ (1,517)</b>	<b>\$ 31,766</b>	<b>\$ 33,283</b>	<b>\$ 3,141</b>	<b>\$ 9,680</b>	<b>\$ 6,539</b>

Fund for Illinois' Future			Tourism Promotion			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
						\$ 76,000	\$ 77,067	\$ 1,067
			\$ 40	\$ --	\$ (40)	4,840	8,910	4,070
			40	--	(40)	80,840	85,977	5,137
			30,379	28,878	(1,501)	106,379	99,406	(6,973)
			120	119	(1)	120	119	(1)
			30,499	28,997	(1,502)	106,499	99,525	(6,974)
			(30,459)	(28,997)	1,462	(25,659)	(13,548)	12,111
\$ 285,000	\$ 285,000	\$ --	29,400	31,647	2,247	314,400	345,820	31,420
			(15)	(15)	--	(38,051)	(38,051)	--
285,000	285,000	--	(1,074)	2,635	3,709	250,690	294,221	43,531
			6,761	6,761	--	41,621	41,621	--
\$ 285,000	\$ 285,000	\$ --	\$ 5,687	\$ 9,396	\$ 3,709	\$ 292,311	\$ 335,842	\$ 43,531



## State of Illinois

### Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Department of Human Services

For the Year Ended June 30, 1999 (Expressed in Thousands)

	Mental Health			Substance Abuse Block Grant		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Federal government				\$ 62,525	\$ 65,473	\$ 2,948
Other	\$ 28,654	\$ 26,335	\$ (2,319)	4	--	(4)
Less:						
Refunds	100	9	(91)			
<b>Total revenues</b>	<b>28,554</b>	<b>26,326</b>	<b>(2,228)</b>	<b>62,529</b>	<b>65,473</b>	<b>2,944</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services	30,160	25,054	(5,106)	68,994	55,157	(13,837)
Capital outlays				5	--	(5)
<b>Total expenditures</b>	<b>30,160</b>	<b>25,054</b>	<b>(5,106)</b>	<b>68,999</b>	<b>55,157</b>	<b>(13,842)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(1,606)</b>	<b>1,272</b>	<b>2,878</b>	<b>(6,470)</b>	<b>10,316</b>	<b>16,786</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in	--	1	1	--	14	14
Operating transfers-out	(1,422)	(1,422)	--			
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<b>(3,028)</b>	<b>(149)</b>	<b>2,879</b>	<b>(6,470)</b>	<b>10,330</b>	<b>16,800</b>
Budgetary fund balances (deficits), July 1, 1998	(220)	(220)	--	(126)	(126)	--
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1999</b>	<b>\$ (3,248)</b>	<b>\$ (369)</b>	<b>\$ 2,879</b>	<b>\$ (6,596)</b>	<b>\$ 10,204</b>	<b>\$ 16,800</b>

Total		
Final Budget	Actual	Variance Over (Under)
\$ 62,525	\$ 65,473	\$ 2,948
28,658	26,335	(2,323)
100	9	(91)
91,083	91,799	716
99,154	80,211	(18,943)
5	-- --	(5)
99,159	80,211	(18,948)
(8,076)	11,588	19,664
-- --	15	15
(1,422)	(1,422)	-- --
(9,498)	10,181	19,679
(346)	(346)	-- --
\$ (9,844)	\$ 9,835	\$ 19,679

# State of Illinois

## Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Department of Public Aid

For the Year Ended June 30, 1999 (Expressed in Thousands)

	University of Illinois Hospital Services			County Hospital Services		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Federal government	\$ 81,968	\$ 87,482	\$ 5,514	\$ 424,648	\$ 464,406	\$ 39,758
Other	58,559	70,758	12,199	453,395	474,257	20,862
Less:						
Refunds				2,500	2,500	-- --
<b>Total revenues</b>	<b>140,527</b>	<b>158,240</b>	<b>17,713</b>	<b>875,543</b>	<b>936,163</b>	<b>60,620</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services	173,400	137,368	(36,032)	964,119	920,640	(43,479)
<b>Total expenditures</b>	<b>173,400</b>	<b>137,368</b>	<b>(36,032)</b>	<b>964,119</b>	<b>920,640</b>	<b>(43,479)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(32,873)</b>	<b>20,872</b>	<b>53,745</b>	<b>(88,576)</b>	<b>15,523</b>	<b>104,099</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in	44,700	44,702	2			
Operating transfers-out	(73,106)	(73,106)	-- --			
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<b>(61,279)</b>	<b>(7,532)</b>	<b>53,747</b>	<b>(88,576)</b>	<b>15,523</b>	<b>104,099</b>
Budgetary fund balances (deficits), July 1, 1998	33,331	33,331	-- --	(34,461)	(34,461)	-- --
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1999</b>	<b>\$ (27,948)</b>	<b>\$ 25,799</b>	<b>\$ 53,747</b>	<b>\$ (123,037)</b>	<b>\$ (18,938)</b>	<b>\$ 104,099</b>



Care Provider Fund for Persons with Developmental Disabilities			Long Term Care Provider			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 16,557	\$ 16,994	\$ 437	\$ 177,772	\$ 124,984	\$ (52,788)	\$ 700,945	\$ 693,866	\$ (7,079)
17,286	17,125	(161)	183,546	149,927	(33,619)	712,786	712,067	(719)
1,000	6	(994)	2,750	24	(2,726)	6,250	2,530	(3,720)
32,843	34,113	1,270	358,568	274,887	(83,681)	1,407,481	1,403,403	(4,078)
36,114	31,624	(4,490)	376,415	259,755	(116,660)	1,550,048	1,349,387	(200,661)
36,114	31,624	(4,490)	376,415	259,755	(116,660)	1,550,048	1,349,387	(200,661)
(3,271)	2,489	5,760	(17,847)	15,132	32,979	(142,567)	54,016	196,583
-- --	1	1	-- --	53	53	44,700	44,756	56
(4)	(4)	-- --	(10)	(10)	-- --	(73,120)	(73,120)	-- --
(3,275)	2,486	5,761	(17,857)	15,175	33,032	(170,987)	25,652	196,639
433	433	-- --	(10,810)	(10,810)	-- --	(11,507)	(11,507)	-- --
\$ (2,842)	\$ 2,919	\$ 5,761	\$ (28,667)	\$ 4,365	\$ 33,032	\$ (182,494)	\$ 14,145	\$ 196,639

## State of Illinois

### Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Department of Revenue

For the Year Ended June 30, 1999 (Expressed in Thousands)

	State Gaming			State and Local Sales Tax Reform		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Income taxes						
Sales taxes				\$ 179,466	\$ 191,177	\$ 11,711
Public utility taxes						
Other	\$ 321,582	\$ 362,122	\$ 40,540			
Less:						
Refunds	126	51	(75)			
<b>Total revenues</b>	<b>321,456</b>	<b>362,071</b>	<b>40,615</b>	<b>179,466</b>	<b>191,177</b>	<b>11,711</b>
<b>EXPENDITURES:</b>						
Current:						
General government	95,446	94,856	(590)	36,219	36,219	-- --
Capital outlays	70	56	(14)			
<b>Total expenditures</b>	<b>95,516</b>	<b>94,912</b>	<b>(604)</b>	<b>36,219</b>	<b>36,219</b>	<b>-- --</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>225,940</b>	<b>267,159</b>	<b>41,219</b>	<b>143,247</b>	<b>154,958</b>	<b>11,711</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in						
Operating transfers-out	(240,001)	(240,001)	-- --	(152,130)	(152,130)	-- --
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<b>(14,061)</b>	<b>27,158</b>	<b>41,219</b>	<b>(8,883)</b>	<b>2,828</b>	<b>11,711</b>
Budgetary fund balances, July 1, 1998	4,397	4,397	-- --	29,750	29,750	-- --
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1999</b>	<b>\$ (9,664)</b>	<b>\$ 31,555</b>	<b>\$ 41,219</b>	<b>\$ 20,867</b>	<b>\$ 32,578</b>	<b>\$ 11,711</b>

Income Tax Refund			McCormick Place Expansion Project			Local Government Distributive		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 987,335	\$ 987,335	\$ --				\$ 22,817	\$ 23,795	\$ 978
			\$ 69,519	\$ 68,277	\$ (1,242)			
893,801	893,801	--						
93,534	93,534	--	69,519	68,277	(1,242)	22,817	23,795	978
			69,520	68,277	(1,243)	949,522	949,522	--
			69,520	68,277	(1,243)	949,522	949,522	--
93,534	93,534	--	(1)	--	1	(926,705)	(925,727)	978
--	1	1				921,505	928,844	7,339
(44,333)	(44,333)	--				(12)	(12)	--
49,201	49,202	1	(1)	--	1	(5,212)	3,105	8,317
145,347	145,347	--				9,436	9,436	--
\$ 194,548	\$ 194,549	\$ 1	\$ (1)	\$ --	\$ 1	\$ 4,224	\$ 12,541	\$ 8,317

(continued)



# State of Illinois

## Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Department of Revenue

For the Year Ended June 30, 1999 (Expressed in Thousands)

(continued)

	Personal Property Tax Replacement			Build Illinois		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Income taxes	\$ 733,273	\$ 733,273	\$ --			
Sales taxes				\$ 330,168	\$ 330,168	\$ --
Public utility taxes	210,240	210,240	--			
Other	2,696	2,696	--	85,164	85,164	--
Less:						
Refunds						
<b>Total revenues</b>	<b>946,209</b>	<b>946,209</b>	<b>--</b>	<b>415,332</b>	<b>415,332</b>	<b>--</b>
<b>EXPENDITURES:</b>						
Current:						
General government	964,005	963,886	(119)			
Capital outlays	27	27	--			
<b>Total expenditures</b>	<b>964,032</b>	<b>963,913</b>	<b>(119)</b>			
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(17,823)</b>	<b>(17,704)</b>	<b>119</b>	<b>415,332</b>	<b>415,332</b>	<b>--</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in	44,326	44,326	--	37,815	37,815	--
Operating transfers-out	(15)	(15)	--	(453,147)	(453,147)	--
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<b>26,488</b>	<b>26,607</b>	<b>119</b>	<b>--</b>	<b>--</b>	<b>--</b>
Budgetary fund balances, July 1, 1998	166,457	166,457	--			
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1999</b>	<b>\$ 192,945</b>	<b>\$ 193,064</b>	<b>\$ 119</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>

Total		
Final Budget	Actual	Variance Over (Under)
\$ 1,720,608	\$ 1,720,608	\$ --
532,451	545,140	12,689
210,240	210,240	--
478,961	518,259	39,298
893,927	893,852	(75)
2,048,333	2,100,395	52,062
2,114,712	2,112,760	(1,952)
97	83	(14)
2,114,809	2,112,843	(1,966)
(66,476)	(12,448)	54,028
1,003,646	1,010,986	7,340
(889,638)	(889,638)	--
47,532	108,900	61,368
355,387	355,387	--
\$ 402,919	\$ 464,287	\$ 61,368

## State of Illinois

### Combining Schedule of Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Department of Transportation

For the Year Ended June 30, 1999 (Expressed in Thousands)

	Public Transportation			Downstate Public Transportation		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>EXPENDITURES:</b>						
Current:						
Transportation	\$ 203,361	\$ 187,798	\$ (15,563)	\$ 31,562	\$ 23,760	\$ (7,802)
<b>Total expenditures</b>	<b>203,361</b>	<b>187,798</b>	<b>(15,563)</b>	<b>31,562</b>	<b>23,760</b>	<b>(7,802)</b>
<b>(Deficiency) of revenues (under) expenditures</b>	<b>(203,361)</b>	<b>(187,798)</b>	<b>15,563</b>	<b>(31,562)</b>	<b>(23,760)</b>	<b>7,802</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in	181,791	187,880	6,089	30,203	31,502	1,299
Operating transfers-out	(13)	(13)	--	(5,655)	(5,655)	--
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<b>(21,583)</b>	<b>69</b>	<b>21,652</b>	<b>(7,014)</b>	<b>2,087</b>	<b>9,101</b>
Budgetary fund balances, July 1, 1998	7	7	--	12,802	12,802	--
<b>BUDGETARY FUND BALANCES (DEFICIT), JUNE 30, 1999</b>	<b>\$ (21,576)</b>	<b>\$ 76</b>	<b>\$ 21,652</b>	<b>\$ 5,788</b>	<b>\$ 14,889</b>	<b>\$ 9,101</b>



Total		
Final Budget	Actual	Variance Over (Under)
\$ 234,923	\$ 211,558	\$ (23,365)
234,923	211,558	(23,365)
(234,923)	(211,558)	23,365
211,994	219,382	7,388
(5,668)	(5,668)	--
(28,597)	2,156	30,753
12,809	12,809	--
\$ (15,788)	\$ 14,965	\$ 30,753

# State of Illinois

## Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Other Code Departments

For the Year Ended June 30, 1999 (Expressed in Thousands)

	Agriculture Agricultural Premium			Children and Family Services DCFS Children's Services		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Federal government				\$ 385,613	\$ 377,004	\$ (8,609)
Other	\$ 18,052	\$ 17,397	\$ (655)	--	8,831	8,831
Less:						
Refunds	1	1	--			
<b>Total revenues</b>	<b>18,051</b>	<b>17,396</b>	<b>(655)</b>	<b>385,613</b>	<b>385,835</b>	<b>222</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services				453,052	435,792	(17,260)
General government	20,121	19,826	(295)	1,314	1,308	(6)
Public protection and justice	6,306	6,167	(139)			
Natural resources and recreation						
Capital outlays	275	266	(9)			
<b>Total expenditures</b>	<b>26,702</b>	<b>26,259</b>	<b>(443)</b>	<b>454,366</b>	<b>437,100</b>	<b>(17,266)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(8,651)</b>	<b>(8,863)</b>	<b>(212)</b>	<b>(68,753)</b>	<b>(51,265)</b>	<b>17,488</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in	10,277	11,087	810			
Operating transfers-out	(48)	(48)	--	(16,134)	(16,134)	--
<b>Excess (deficiency) of revenues over (under) expenditures, and other sources (uses) of financial resources</b>	<b>1,578</b>	<b>2,176</b>	<b>598</b>	<b>(84,887)</b>	<b>(67,399)</b>	<b>17,488</b>
Budgetary fund balances (deficits), July 1, 1998	(756)	(756)	--	49,501	49,501	--
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1999</b>	<b>\$ 822</b>	<b>\$ 1,420</b>	<b>\$ 598</b>	<b>\$ (35,386)</b>	<b>\$ (17,898)</b>	<b>\$ 17,488</b>





# State of Illinois

## Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Other Code Departments

For the Year Ended June 30, 1999 (Expressed in Thousands)

(continued)

	Natural Resources Wildlife and Fish			Total		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Federal government	\$ 5,556	\$ 5,214	\$ (342)	\$ 416,241	\$ 390,342	\$ (25,899)
Other	23,696	24,202	506	1,017,375	996,376	(20,999)
Less:						
Refunds	700	700	-- --	751	717	(34)
<b>Total revenues</b>	<b>28,552</b>	<b>28,716</b>	<b>164</b>	<b>1,432,865</b>	<b>1,386,001</b>	<b>(46,864)</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services				453,052	435,792	(17,260)
General government				465,198	394,543	(70,655)
Public protection and justice				82,010	35,217	(46,793)
Natural resources and recreation	28,183	26,638	(1,545)	28,183	26,638	(1,545)
Capital outlays	1,079	940	(139)	1,734	1,568	(166)
<b>Total expenditures</b>	<b>29,262</b>	<b>27,578</b>	<b>(1,684)</b>	<b>1,030,177</b>	<b>893,758</b>	<b>(136,419)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(710)</b>	<b>1,138</b>	<b>1,848</b>	<b>402,688</b>	<b>492,243</b>	<b>89,555</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in				14,170	17,092	2,922
Operating transfers-out	(1,442)	(1,442)	-- --	(557,664)	(557,664)	-- --
<b>Excess (deficiency) of revenues over (under) expenditures, and other sources (uses) of financial resources</b>	<b>(2,152)</b>	<b>(304)</b>	<b>1,848</b>	<b>(140,806)</b>	<b>(48,329)</b>	<b>92,477</b>
Budgetary fund balances (deficits), July 1, 1998	1,343	1,343	-- --	105,033	105,033	-- --
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1999</b>	<b>\$ (809)</b>	<b>\$ 1,039</b>	<b>\$ 1,848</b>	<b>\$ (35,773)</b>	<b>\$ 56,704</b>	<b>\$ 92,477</b>

**This Page Intentionally Left Blank**

## State of Illinois

### Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Agencies, Boards and Commissions

For the Year Ended June 30, 1999 (Expressed in Thousands)

	Environmental Protection Agency			State Board of Education		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Motor fuel taxes						
Public utility taxes						
Federal government	\$ 101,000	\$ 80,978	\$ (20,022)	\$ 150,000	\$ 199,136	\$ 49,136
Other	84,101	110,882	26,781	30,000	30,657	657
Less:						
Refunds						
<b>Total revenues</b>	<b>185,101</b>	<b>191,860</b>	<b>6,759</b>	<b>180,000</b>	<b>229,793</b>	<b>49,793</b>
<b>EXPENDITURES:</b>						
Current:						
Education				210,000	190,388	(19,612)
General government	2,097	1,779	(318)			
Public protection and justice						
Natural resources and recreation	179,009	169,665	(9,344)			
Capital outlays	100	98	(2)			
<b>Total expenditures</b>	<b>181,206</b>	<b>171,542</b>	<b>(9,664)</b>	<b>210,000</b>	<b>190,388</b>	<b>(19,612)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>3,895</b>	<b>20,318</b>	<b>16,423</b>	<b>(30,000)</b>	<b>39,405</b>	<b>69,405</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in	25,000	25,000	-- --			
Operating transfers-out	(5)	(5)	-- --	(4)	(4)	-- --
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<b>28,890</b>	<b>45,313</b>	<b>16,423</b>	<b>(30,004)</b>	<b>39,401</b>	<b>69,405</b>
Budgetary fund balances (deficits), July 1, 1998	105,841	105,841	-- --	(1,676)	(1,676)	-- --
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1999</b>	<b>\$ 134,731</b>	<b>\$ 151,154</b>	<b>\$ 16,423</b>	<b>\$ (31,680)</b>	<b>\$ 37,725</b>	<b>\$ 69,405</b>



Other Agencies, Boards, and Commissions			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 62,900	\$ 63,846	\$ 946	\$ 62,900	\$ 63,846	\$ 946
86,000	101,488	15,488	86,000	101,488	15,488
			251,000	280,114	29,114
30,980	37,590	6,610	145,081	179,129	34,048
222	71	(151)	222	71	(151)
179,658	202,853	23,195	544,759	624,506	79,747
42,250	42,244	(6)	252,250	232,632	(19,618)
79,170	64,019	(15,151)	81,267	65,798	(15,469)
3,220	2,828	(392)	3,220	2,828	(392)
57,968	30,442	(27,526)	236,977	200,107	(36,870)
197	185	(12)	297	283	(14)
182,805	139,718	(43,087)	574,011	501,648	(72,363)
(3,147)	63,135	66,282	(29,252)	122,858	152,110
31,612	30,366	(1,246)	56,612	55,366	(1,246)
(23,860)	(23,860)	--	(23,869)	(23,869)	--
4,605	69,641	65,036	3,491	154,355	150,864
88,074	88,074	--	192,239	192,239	--
\$ 92,679	\$ 157,715	\$ 65,036	\$ 195,730	\$ 346,594	\$ 150,864

# State of Illinois

## Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Environmental Protection Agency

For the Year Ended June 30, 1999 (Expressed in Thousands)

	Water Pollution Control			Vehicle Inspection		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Federal government	\$ 101,000	\$ 80,978	\$ (20,022)			
Other	56,200	78,402	22,202	\$ 27,901	\$ 32,480	\$ 4,579
<b>Total revenues</b>	<b>157,200</b>	<b>159,380</b>	<b>2,180</b>	<b>27,901</b>	<b>32,480</b>	<b>4,579</b>
<b>EXPENDITURES:</b>						
Current:						
General government				2,097	1,779	(318)
Natural resources and recreation	112,699	110,284	(2,415)	66,310	59,381	(6,929)
Capital outlays				100	98	(2)
<b>Total expenditures</b>	<b>112,699</b>	<b>110,284</b>	<b>(2,415)</b>	<b>68,507</b>	<b>61,258</b>	<b>(7,249)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>44,501</b>	<b>49,096</b>	<b>4,595</b>	<b>(40,606)</b>	<b>(28,778)</b>	<b>11,828</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in				25,000	25,000	-- --
Operating transfers-out				(5)	(5)	-- --
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<b>44,501</b>	<b>49,096</b>	<b>4,595</b>	<b>(15,611)</b>	<b>(3,783)</b>	<b>11,828</b>
Budgetary fund balances, July 1, 1998	92,680	92,680	-- --	13,161	13,161	-- --
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1999</b>	<b>\$ 137,181</b>	<b>\$ 141,776</b>	<b>\$ 4,595</b>	<b>\$ (2,450)</b>	<b>\$ 9,378</b>	<b>\$ 11,828</b>

Total		
Final Budget	Actual	Variance Over (Under)
\$ 101,000	\$ 80,978	\$ (20,022)
84,101	110,832	26,731
185,101	191,860	6,759

2,097	1,779	(318)
179,009	169,665	(9,344)
100	98	(2)
181,206	171,542	(9,664)

3,895	20,318	16,423
25,000	25,000	--
(5)	(5)	--

28,890	45,313	16,423
105,841	105,841	--
\$ 134,731	\$ 151,154	\$ 16,423



# State of Illinois

## Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - State Board of Education

For the Year Ended June 30, 1999 (Expressed in Thousands)

	Special Education Medicaid Matching			School Technology Revolving Loan		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Federal government	\$ 150,000	\$ 199,136	\$ 49,136			
Other				\$ 30,000	\$ 30,657	\$ 657
<b>Total revenues</b>	<b>150,000</b>	<b>199,136</b>	<b>49,136</b>	<b>30,000</b>	<b>30,657</b>	<b>657</b>
<b>EXPENDITURES:</b>						
Current:						
Education	180,000	179,992	(8)	30,000	10,396	(19,604)
<b>Total expenditures</b>	<b>180,000</b>	<b>179,992</b>	<b>(8)</b>	<b>30,000</b>	<b>10,396</b>	<b>(19,604)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(30,000)</b>	<b>19,144</b>	<b>49,144</b>	<b>-- --</b>	<b>20,261</b>	<b>20,261</b>
<b>OTHER (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-out	(4)	(4)	--			
<b>Excess (deficiency) of revenues over (under) expenditures and other (uses) of financial resources</b>	<b>(30,004)</b>	<b>19,140</b>	<b>49,144</b>	<b>-- --</b>	<b>20,261</b>	<b>20,261</b>
Budgetary fund balances (deficits), July 1, 1998	(1,676)	(1,676)	--			
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1999</b>	<b>\$ (31,680)</b>	<b>\$ 17,464</b>	<b>\$ 49,144</b>	<b>\$ -- --</b>	<b>\$ 20,261</b>	<b>\$ 20,261</b>

Total		
Final Budget	Actual	Variance Over (Under)
\$ 150,000	\$ 199,136	\$ 49,136
30,000	30,657	657
180,000	229,793	49,793

210,000	190,388	(19,612)
210,000	190,388	(19,612)

(30,000)	39,405	69,405
----------	--------	--------

(4)	(4)	--
-----	-----	----

(30,004)	39,401	69,405
(1,676)	(1,676)	--
\$ (31,680)	\$ 37,725	\$ 69,405

## State of Illinois

### Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Other Agencies, Boards and Commissions

For the Year Ended June 30, 1999 (Expressed in Thousands)

	State Fire Marshal			Housing Development Authority		
	Underground Storage Tank			Illinois Affordable Housing		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Motor fuel taxes	\$ 62,900	\$ 63,846	\$ 946			
Public utility taxes						
Other	--	655	655	\$ 30,980	\$ 36,935	\$ 5,955
Less:						
Refunds	222	71	(151)			
<b>Total revenues</b>	<b>62,678</b>	<b>64,430</b>	<b>1,752</b>	<b>30,980</b>	<b>36,935</b>	<b>5,955</b>
<b>EXPENDITURES:</b>						
Current:						
Education						
General government	655	637	(18)	46,500	32,998	(13,502)
Public protection and justice	3,220	2,828	(392)			
Natural resources and recreation	57,968	30,442	(27,526)			
Capital outlays	197	185	(12)			
<b>Total expenditures</b>	<b>62,040</b>	<b>34,092</b>	<b>(27,948)</b>	<b>46,500</b>	<b>32,998</b>	<b>(13,502)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>638</b>	<b>30,338</b>	<b>29,700</b>	<b>(15,520)</b>	<b>3,937</b>	<b>19,457</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in	--	379	379			
Operating transfers-out	(14,005)	(14,005)	--			
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<b>(13,367)</b>	<b>16,712</b>	<b>30,079</b>	<b>(15,520)</b>	<b>3,937</b>	<b>19,457</b>
Budgetary fund balances, July 1, 1998	31,671	31,671	--	33,175	33,175	--
<b>BUDGETARY FUND BALANCES, JUNE 30, 1999</b>	<b>\$ 18,304</b>	<b>\$ 48,383</b>	<b>\$ 30,079</b>	<b>\$ 17,655</b>	<b>\$ 37,112</b>	<b>\$ 19,457</b>



Capital Development Board			Metropolitan Pier and Exposition Authority					
School Infrastructure			Metropolitan Fair and Exposition Authority Improvement Bond			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 86,000	\$ 101,488	\$ 15,488				\$ 62,900	\$ 63,846	\$ 946
						86,000	101,488	15,488
						30,980	37,590	6,610
						222	71	(151)
86,000	101,488	15,488				179,658	202,853	23,195
42,250	42,244	(6)				42,250	42,244	(6)
400	397	(3)	\$ 31,615	\$ 29,987	\$ (1,628)	79,170	64,019	(15,151)
						3,220	2,828	(392)
						57,968	30,442	(27,526)
						197	185	(12)
42,650	42,641	(9)	31,615	29,987	(1,628)	182,805	139,718	(43,087)
43,350	58,847	15,497	(31,615)	(29,987)	1,628	(3,147)	63,135	66,282
			31,612	29,987	(1,625)	31,612	30,366	(1,246)
(9,855)	(9,855)	-- --				(23,860)	(23,860)	-- --
33,495	48,992	15,497	(3)	-- --	3	4,605	69,641	65,036
23,228	23,228	-- --				88,074	88,074	-- --
\$ 56,723	\$ 72,220	\$ 15,497	\$ (3)	\$ -- --	\$ 3	\$ 92,679	\$ 157,715	\$ 65,036

# State of Illinois

## Combining Schedule of Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Bond Financed Funds

For the Year Ended June 30, 1999 (Expressed in Thousands)

	Commerce and Community Affairs Build Illinois Bond			Transportation Transportation Series B		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>EXPENDITURES:</b>						
Current:						
Health and social services						
Education	\$ 615	\$ 599	\$ (16)			
General government	1,207	684	(523)			
Transportation	2,290	119	(2,171)	\$ 39,575	\$ 39,575	-- --
Public protection and justice						
Natural resources and recreation	11,230	10,061	(1,169)			
Capital outlays	730	694	(36)			
<b>Total expenditures</b>	<b>16,072</b>	<b>12,157</b>	<b>(3,915)</b>	<b>39,575</b>	<b>39,575</b>	<b>-- --</b>
<b>(Deficiency) of revenues (under) expenditures</b>	<b>(16,072)</b>	<b>(12,157)</b>	<b>3,915</b>	<b>(39,575)</b>	<b>(39,575)</b>	<b>-- --</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Proceeds from general obligation bond issues	-- --	60,497	60,497	60,000	49,678	(10,322)
Operating transfers-in						
Operating transfers-out						
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<b>(16,072)</b>	<b>48,340</b>	<b>64,412</b>	<b>20,425</b>	<b>10,103</b>	<b>(10,322)</b>
Budgetary fund balances, July 1, 1998	19,524	19,524	-- --	28,977	28,977	-- --
<b>BUDGETARY FUND BALANCES, JUNE 30, 1999</b>	<b>\$ 3,452</b>	<b>\$ 67,864</b>	<b>\$ 64,412</b>	<b>\$ 49,402</b>	<b>\$ 39,080</b>	<b>\$ (10,322)</b>

Capital Development Board			Other			Total		
Capital Development								
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 548	\$ 61	\$ (487)				\$ 548	\$ 61	\$ (487)
191,840	184,877	(6,963)				192,455	185,476	(6,979)
30,067	29,391	(676)	\$ 2,016	\$ 2,011	\$ (5)	33,290	32,086	(1,204)
533	533	--				42,398	40,227	(2,171)
252	77	(175)				252	77	(175)
19,158	19,158		22,205	22,205	--	52,593	51,424	(1,169)
206,159	206,006	(153)				206,889	206,700	(189)
448,557	440,103	(8,454)	24,221	24,216	(5)	528,425	516,051	(12,374)
(448,557)	(440,103)	8,454	(24,221)	(24,216)	5	(528,425)	(516,051)	12,374
528,000	540,390	12,390	32,000	10,974	(21,026)	620,000	661,539	41,539
80,000	80,000	--				80,000	80,000	--
(80,000)	(80,000)	--				(80,000)	(80,000)	--
79,443	100,287	20,844	7,779	(13,242)	(21,021)	91,575	145,488	53,913
298,394	298,394	--	26,213	26,213	--	373,108	373,108	--
\$ 377,837	\$ 398,681	\$ 20,844	\$ 33,992	\$ 12,971	\$ (21,021)	\$ 464,683	\$ 518,596	\$ 53,913



## State of Illinois

### Combining Schedule of Expenditures, Other Sources and uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Bond Financed Funds - Capital Development Board

For the Year Ended June 30, 1999 (Expressed in Thousands)

	Capital Development			School Construction		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>EXPENDITURES:</b>						
Current:						
Health and Social Services	\$ 548	\$ 61	\$ (487)			
Education	70,599	68,008	(2,591)	\$ 121,241	\$ 116,869	\$ (4,372)
General government	30,067	29,391	(676)			
Transportation	533	533	-- --			
Public protection and justice	252	77	(175)			
Natural resources and recreation	19,158	19,158	-- --			
Capital outlays	206,159	206,006	(153)			
<b>Total expenditures</b>	<b>327,316</b>	<b>323,234</b>	<b>(4,082)</b>	<b>121,241</b>	<b>116,869</b>	<b>(4,372)</b>
<b>(Deficiency) of revenues (under) expenditures</b>	<b>(327,316)</b>	<b>(323,234)</b>	<b>4,082</b>	<b>(121,241)</b>	<b>(116,869)</b>	<b>4,372</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Proceeds from general obligation bond issues	408,000	420,698	12,698	120,000	119,692	(308)
Operating transfers-in				80,000	80,000	-- --
Operating transfers-out	(80,000)	(80,000)	-- --			
<b>(Deficiency) of revenues (under) expenditures and other sources (uses) of financial resources</b>	<b>684</b>	<b>17,464</b>	<b>16,780</b>	<b>78,759</b>	<b>82,823</b>	<b>4,064</b>
Budgetary fund balances, July 1, 1998	297,737	297,737	-- --	657	657	-- --
<b>BUDGETARY FUND BALANCES, JUNE 30, 1999</b>	<b>\$ 298,421</b>	<b>\$ 315,201</b>	<b>\$ 16,780</b>	<b>\$ 79,416</b>	<b>\$ 83,480</b>	<b>\$ 4,064</b>

Total		
Final Budget	Actual	Variance Over (Under)
\$ 548	\$ 61	\$ (487)
191,840	184,877	(6,963)
30,067	29,391	(676)
533	533	-- --
252	77	(175)
19,158	19,158	-- --
206,159	206,006	(153)
448,557	440,103	(8,454)

(448,557)	(440,103)	8,454
528,000	540,390	12,390
80,000	80,000	-- --
(80,000)	(80,000)	-- --
79,443	100,287	20,844
298,394	298,394	-- --
377,837	398,681	20,844

## State of Illinois

### Combining Schedule of Revenues, Expenditures, Other Sources of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Debt Service Funds

For the Year Ended June 30, 1999 (Expressed in Thousands)

	Build Illinois Bond, Retirement and Interest			General Obligations Bond, Retirement and Interest		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Federal government				\$ 340	\$ 90	\$ (250)
Other	\$ 140	\$ 342	\$ 202	18,424	19,741	1,317
<b>Total revenues</b>	<b>140</b>	<b>342</b>	<b>202</b>	<b>18,764</b>	<b>19,831</b>	<b>1,067</b>
<b>EXPENDITURES:</b>						
Debt service:						
Principal	226,061	226,061	--	596,154	596,154	--
Interest	185	185	--	281,800	267,771	(14,029)
<b>Total expenditures</b>	<b>226,246</b>	<b>226,246</b>	<b>--</b>	<b>877,954</b>	<b>863,925</b>	<b>(14,029)</b>
(Deficiency) of revenues (under) expenditures	(226,106)	(225,904)	202	(859,190)	(844,094)	15,096
<b>OTHER SOURCES OF FINANCIAL RESOURCES:</b>						
Proceeds from general and special obligation bond issues				173,179	173,179	--
Operating transfers-in	219,716	226,061	6,345	694,862	674,418	(20,444)
Excess (deficiency) of revenues over (under) expenditures and other sources of financial resources	(6,390)	157	6,547	8,851	3,503	(5,348)
Budgetary fund balances, July 1, 1998	1,548	1,548	--	441,743	441,743	--
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1999</b>	<b>\$ (4,842)</b>	<b>\$ 1,705</b>	<b>\$ 6,547</b>	<b>\$ 450,594</b>	<b>\$ 445,246</b>	<b>\$ (5,348)</b>



Other			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
			\$ 340	\$ 90	\$ (250)
\$ 250	\$ 755	\$ 505	18,814	20,838	2,024
250	755	505	19,154	20,928	1,774
14,919	13,707	(1,212)	837,134	835,922	(1,212)
			281,985	267,956	(14,029)
14,919	13,707	(1,212)	1,119,119	1,103,878	(15,241)
(14,669)	(12,952)	1,717	(1,099,965)	(1,082,950)	17,015
			173,179	173,179	--
14,619	14,436	(183)	929,197	914,915	(14,282)
(50)	1,484	1,534	2,411	5,144	2,733
13,384	13,384	--	456,675	456,675	--
\$ 13,334	\$ 14,868	\$ 1,534	\$ 459,086	\$ 461,819	\$ 2,733

# State of Illinois

## Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Federal Trust Funds

For the Year Ended June 30, 1999 (Expressed in Thousands)

	Code Departments			Agencies, Boards & Commissions		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Federal government	\$ 1,072,913	\$ 989,432	\$ (83,481)	\$ 1,271,184	\$ 1,063,274	\$ (207,910)
Other	106,380	75,923	(30,457)	14	277	263
Less:						
Refunds	2,162	384	(1,778)			
<b>Total revenues</b>	<b>1,177,131</b>	<b>1,064,971</b>	<b>(112,160)</b>	<b>1,271,198</b>	<b>1,063,551</b>	<b>(207,647)</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services	725,838	598,884	(126,954)			
Education				1,144,713	998,644	(146,069)
General government	521,872	222,795	(299,077)			
Transportation	88,120	87,924	(196)			
Social assistance	300,348	178,807	(121,541)			
Public protection and justice				234,200	71,242	(162,958)
Natural resources and recreation				39,569	24,522	(15,047)
Capital outlays	9,258	4,933	(4,325)	2,003	1,268	(735)
<b>Total expenditures</b>	<b>1,645,436</b>	<b>1,093,343</b>	<b>(552,093)</b>	<b>1,420,485</b>	<b>1,095,676</b>	<b>(324,809)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(468,305)</b>	<b>(28,372)</b>	<b>439,933</b>	<b>(149,287)</b>	<b>(32,125)</b>	<b>117,162</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in	31,048	27,703	(3,345)			
Operating transfers-out	(384)	(384)	--			
<b>Budgetary funds-nonbudgeted accounts</b>	<b>(2,547)</b>	<b>(2,547)</b>	<b>--</b>	<b>(553)</b>	<b>(553)</b>	<b>--</b>
<b>Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources and budgetary funds-nonbudgeted accounts</b>	<b>(440,188)</b>	<b>(3,600)</b>	<b>436,588</b>	<b>(149,840)</b>	<b>(32,678)</b>	<b>117,162</b>
<b>Budgetary fund balances (deficits), July 1, 1998, as previously reported</b>	<b>(31,872)</b>	<b>(31,872)</b>	<b>--</b>	<b>(83,800)</b>	<b>(83,800)</b>	<b>--</b>
<b>Reclassifications between budgetary/nonbudgetary funds-net</b>						
<b>Budgetary fund balances (deficits), July 1, 1998, as reclassified</b>	<b>(31,872)</b>	<b>(31,872)</b>	<b>--</b>	<b>(83,800)</b>	<b>(83,800)</b>	<b>--</b>
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1999</b>	<b>\$ (472,060)</b>	<b>\$ (35,472)</b>	<b>\$ 436,588</b>	<b>\$ (233,640)</b>	<b>\$ (116,478)</b>	<b>\$ 117,162</b>

Other			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 288,332	\$ 184,923	\$ (103,409)	\$ 2,632,429	\$ 2,237,629	\$ (394,800)
17,754	17,184	(570)	124,148	93,384	(30,764)
782	106	(676)	2,944	490	(2,454)
305,304	202,001	(103,303)	2,753,633	2,330,523	(423,110)
79,960	44,500	(35,460)	805,798	643,384	(162,414)
41,359	17,663	(23,696)	1,186,072	1,016,307	(169,765)
180,737	70,083	(110,654)	702,609	292,878	(409,731)
9,205	9,205	-- --	97,325	97,129	(196)
38,989	11,018	(27,971)	339,337	189,825	(149,512)
44,992	31,035	(13,957)	279,192	102,277	(176,915)
13,128	11,566	(1,562)	52,697	36,088	(16,609)
741	508	(233)	12,002	6,709	(5,293)
409,111	195,578	(213,533)	3,475,032	2,384,597	(1,090,435)
(103,807)	6,423	110,230	(721,399)	(54,074)	667,325
-- --	443	443	31,048	28,146	(2,902)
(59)	(59)	-- --	(443)	(443)	-- --
(13,104)	(13,104)	-- --	(16,204)	(16,204)	-- --
(116,970)	(6,297)	110,673	(706,998)	(42,575)	664,423
36,734	36,734	-- --	(78,938)	(78,938)	-- --
159	159	-- --	159	159	-- --
36,893	36,893	-- --	(78,779)	(78,779)	-- --
\$ (80,077)	\$ 30,596	\$ 110,673	\$ (785,777)	\$ (121,354)	\$ 664,423



# State of Illinois

## Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Federal Trust Funds - Code Departments

For the Year Ended June 30, 1999 (Expressed in Thousands)

	Commerce and Community Affairs			Human Services		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Federal government	\$ 269,750	\$ 229,814	\$ (39,936)	\$ 459,266	\$ 430,955	\$ (28,311)
Other	--	338	338	40,509	56,428	15,919
Less:						
Refunds	1,550	277	(1,273)	240	--	(240)
<b>Total revenues</b>	<b>268,200</b>	<b>229,875</b>	<b>(38,325)</b>	<b>499,535</b>	<b>487,383</b>	<b>(12,152)</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services				610,810	510,653	(100,157)
General government	521,872	222,795	(299,077)			
Transportation				99,260	7,989	(91,271)
Social assistance				4,463	2,047	(2,416)
Capital outlays	74	36	(38)			
<b>Total expenditures</b>	<b>521,946</b>	<b>222,831</b>	<b>(299,115)</b>	<b>714,533</b>	<b>520,689</b>	<b>(193,844)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(253,746)</b>	<b>7,044</b>	<b>260,790</b>	<b>(214,998)</b>	<b>(33,306)</b>	<b>181,692</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in				31,048	27,703	(3,345)
Operating transfers-out	(384)	(384)	--			
<b>Budgetary funds-nonbudgeted accounts</b>				<b>(2,343)</b>	<b>(2,343)</b>	<b>--</b>
<b>Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources and budgetary funds-nonbudgeted accounts</b>	<b>(254,130)</b>	<b>6,660</b>	<b>260,790</b>	<b>(186,293)</b>	<b>(7,946)</b>	<b>178,347</b>
Budgetary fund balances (deficits), July 1, 1998	(21,051)	(21,051)	--	(15,551)	(15,551)	--
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1999</b>	<b>\$ (275,181)</b>	<b>\$ (14,391)</b>	<b>\$ 260,790</b>	<b>\$ (201,844)</b>	<b>\$ (23,497)</b>	<b>\$ 178,347</b>

Other Code Departments			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 343,897	\$ 328,663	\$ (15,234)	\$ 1,072,913	\$ 989,432	\$ (83,481)
65,871	19,157	(46,714)	106,380	75,923	(30,457)
372	107	(265)	2,162	384	(1,778)
409,396	347,713	(61,683)	1,177,131	1,064,971	(112,160)
115,028	88,231	(26,797)	725,838	598,884	(126,954)
			521,872	222,795	(299,077)
88,120	87,924	(196)	88,120	87,924	(196)
201,088	170,818	(30,270)	300,348	178,807	(121,541)
4,721	2,850	(1,871)	9,258	4,933	(4,325)
408,957	349,823	(59,134)	1,645,436	1,093,343	(552,093)
439	(2,110)	(2,549)	(468,305)	(28,372)	439,933
			31,048	27,703	(3,345)
			(384)	(384)	-- --
(204)	(204)	-- --	(2,547)	(2,547)	-- --
235	(2,314)	(2,549)	(440,188)	(3,600)	436,588
4,730	4,730	-- --	(31,872)	(31,872)	-- --
\$ 4,965	\$ 2,416	\$ (2,549)	\$ (472,060)	\$ (35,472)	\$ 436,588

# State of Illinois

## Combining Schedule of Revenues, Expenditures, Other Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Federal Trust Funds - Department of Commerce and Community Affairs

For the Year Ended June 30, 1999 (Expressed in Thousands)

	Low Income Home Energy Assistance Block Grant			Community Development/ Small Cities Block Grant		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Federal government	\$ 52,000	\$ 51,187	\$ (813)	\$ 65,950	\$ 59,952	\$ (5,998)
Other				--	213	213
Less:						
Refunds	600	--	(600)	300	1	(299)
Total revenues	51,400	51,187	(213)	65,650	60,164	(5,486)
<b>EXPENDITURES:</b>						
General government	122,094	51,615	(70,479)	163,161	59,006	(104,155)
Capital outlays	20	19	(1)	14	13	(1)
Total expenditures	122,114	51,634	(70,480)	163,175	59,019	(104,156)
Excess (deficiency) of revenues over (under) expenditures	(70,714)	(447)	70,267	(97,525)	1,145	98,670
<b>OTHER (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-out						
Excess (deficiency) of revenues over (under) expenditures and other (uses) of financial resources	(70,714)	(447)	70,267	(97,525)	1,145	98,670
Budgetary fund balances (deficits), July 1, 1998	(860)	(860)	--	(3,236)	(3,236)	--
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1999</b>	<b>\$ (71,574)</b>	<b>\$ (1,307)</b>	<b>\$ 70,267</b>	<b>\$ (100,761)</b>	<b>\$ (2,091)</b>	<b>\$ 98,670</b>



Job Training Partnership			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 151,800	\$ 118,675	\$ (33,125)	\$ 269,750	\$ 229,814	\$ (39,936)
--	125	125	--	338	338
650	276	(374)	1,550	277	(1,273)
151,150	118,524	(32,626)	268,200	229,875	(38,325)
236,617	112,174	(124,443)	521,872	222,795	(299,077)
40	4	(36)	74	36	(38)
236,657	112,178	(124,479)	521,946	222,831	(299,115)
(85,507)	6,346	91,853	(253,746)	7,044	260,790
(384)	(384)	--	(384)	(384)	--
(85,891)	5,962	91,853	(254,130)	6,660	260,790
(16,955)	(16,955)	--	(21,051)	(21,051)	--
\$ (102,846)	\$ (10,993)	\$ 91,853	\$ (275,181)	\$ (14,391)	\$ 260,790

# State of Illinois

## Combining Schedule of Revenues, Expenditures, Other Sources of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Federal Trust Funds - Department of Human Services

For the Year Ended June 30, 1999 (Expressed in Thousands)

	Vocational Rehabilitation			DHS Special Purpose Trust		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Federal government	\$ 95,533	\$ 92,944	\$ (2,589)	\$ 94,498	\$ 84,318	\$ (10,180)
Other	500	502	2	1	--	(1)
Less:						
Refunds	5	--	(5)			
<b>Total revenues</b>	<b>96,028</b>	<b>93,446</b>	<b>(2,582)</b>	<b>94,499</b>	<b>84,318</b>	<b>(10,181)</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services	115,123	96,065	(19,058)	124,342	100,107	(24,235)
Social assistance				99,260	7,989	(91,271)
Capital outlays	1,789	1,029	(760)	7	--	(7)
<b>Total expenditures</b>	<b>116,912</b>	<b>97,094</b>	<b>(19,818)</b>	<b>223,609</b>	<b>108,096</b>	<b>(115,513)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(20,884)</b>	<b>(3,648)</b>	<b>17,236</b>	<b>(129,110)</b>	<b>(23,778)</b>	<b>105,332</b>
<b>OTHER SOURCES OF FINANCIAL RESOURCES:</b>						
Operating transfers-in				31,048	27,703	(3,345)
<b>Budgetary funds-nonbudgeted accounts</b>				<b>(2,343)</b>	<b>(2,343)</b>	<b>--</b>
<b>Excess (deficiency) of revenues over (under) expenditures, other sources of financial resources and budgetary funds-nonbudgeted accounts</b>	<b>(20,884)</b>	<b>(3,648)</b>	<b>17,236</b>	<b>(100,405)</b>	<b>1,582</b>	<b>101,987</b>
Budgetary fund balances (deficits), July 1, 1998	7,384	7,384	--	(14)	(14)	--
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1999</b>	<b>\$ (13,500)</b>	<b>\$ 3,736</b>	<b>\$ 17,236</b>	<b>\$ (100,419)</b>	<b>\$ 1,568</b>	<b>\$ 101,987</b>

Old Age Survivors Insurance			DHS Federal Projects			USDA Woman, Infants & Children		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 58,226	\$ 56,169	\$ (2,057)	\$ 35,009	\$ 34,094	\$ (915)	\$ 147,000	\$ 135,638	\$ (11,362)
8	1	(7)	--	100	100	40,000	55,825	15,825
			25	--	(25)	200	--	(200)
58,234	56,170	(2,064)	34,984	34,194	(790)	186,800	191,463	4,663
67,495	55,391	(12,104)	58,348	42,714	(15,634)	216,685	193,928	(22,757)
1,820	878	(942)	568	7	(561)	279	133	(146)
69,315	56,269	(13,046)	58,916	42,721	(16,195)	216,964	194,061	(22,903)
(11,081)	(99)	10,982	(23,932)	(8,527)	15,405	(30,164)	(2,598)	27,566
(11,081)	(99)	10,982	(23,932)	(8,527)	15,405	(30,164)	(2,598)	27,566
(3,118)	(3,118)	--				(15,770)	(15,770)	--
\$ (14,199)	\$ (3,217)	\$ 10,982	\$ (23,932)	\$ (8,527)	\$ 15,405	\$ (45,934)	\$ (18,368)	\$ 27,566

(continued)



# State of Illinois

## Combining Schedule of Revenues, Expenditures, Other Sources of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Federal Trust Funds - Department of Human Services

For the Year Ended June 30, 1999 (Expressed in Thousands)

(continued)

	Maternal and Child Health Services Block Grant			Total		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Federal government	\$ 29,000	\$ 27,792	\$ (1,208)	\$ 459,266	\$ 430,955	\$ (28,311)
Other				40,509	56,428	15,919
Less:						
Refunds	10	--	(10)	240	--	(240)
<b>Total revenues</b>	<b>28,990</b>	<b>27,792</b>	<b>(1,198)</b>	<b>499,535</b>	<b>487,383</b>	<b>(12,152)</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services	28,817	22,448	(6,369)	610,810	510,653	(100,157)
Social assistance				99,260	7,989	(91,271)
Capital outlays				4,463	2,047	(2,416)
<b>Total expenditures</b>	<b>28,817</b>	<b>22,448</b>	<b>(6,369)</b>	<b>714,533</b>	<b>520,689</b>	<b>(193,844)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>173</b>	<b>5,344</b>	<b>5,171</b>	<b>(214,998)</b>	<b>(33,306)</b>	<b>181,692</b>
<b>OTHER SOURCES OF FINANCIAL RESOURCES:</b>						
Operating transfers-in				31,048	27,703	(3,345)
<b>Budgetary funds-nonbudgeted accounts</b>				<b>(2,343)</b>	<b>(2,343)</b>	<b>--</b>
<b>Excess (deficiency) of revenues over (under) expenditures, other sources of financial resources and budgetary funds- nonbudgeted accounts</b>	<b>173</b>	<b>5,344</b>	<b>5,171</b>	<b>(186,293)</b>	<b>(7,946)</b>	<b>178,347</b>
Budgetary fund balances (deficits), July 1, 1998	(4,033)	(4,033)	--	(15,551)	(15,551)	--
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1999</b>	<b>\$ (3,860)</b>	<b>\$ 1,311</b>	<b>\$ 5,171</b>	<b>\$ (201,844)</b>	<b>\$ (23,497)</b>	<b>\$ 178,347</b>

**This Page Intentionally Left Blank**

# State of Illinois

## Combining Schedule of Revenues, Expenditures and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Federal Trust Funds - Other Code Departments

For the Year Ended June 30, 1999 (Expressed in Thousands)

	Employment Security			Transportation		
	Title III Social Security & Employment Service			Federal/Local Airport		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Federal government	\$ 174,529	\$ 166,142	\$ (8,387)	\$ 80,000	\$ 70,330	\$ (9,670)
Other	15,471	349	(15,122)	50,000	18,808	(31,192)
Less:						
Refunds	300	100	(200)			
<b>Total revenues</b>	<b>189,700</b>	<b>166,391</b>	<b>(23,309)</b>	<b>130,000</b>	<b>89,138</b>	<b>(40,862)</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services						
Transportation				88,120	87,924	(196)
Social assistance	201,088	170,818	(30,270)			
Capital outlays	3,615	2,203	(1,412)			
<b>Total expenditures</b>	<b>204,703</b>	<b>173,021</b>	<b>(31,682)</b>	<b>88,120</b>	<b>87,924</b>	<b>(196)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(15,003)</b>	<b>(6,630)</b>	<b>8,373</b>	<b>41,880</b>	<b>1,214</b>	<b>(40,666)</b>
<b>Budgetary funds-nonbudgeted accounts</b>						
<b>Excess (deficiency) of revenues over (under) expenditures and budgetary funds-non-budgeted accounts</b>	<b>(15,003)</b>	<b>(6,630)</b>	<b>8,373</b>	<b>41,880</b>	<b>1,214</b>	<b>(40,666)</b>
Budgetary fund balances (deficits), July 1, 1998	19,103	19,103	-- --	1,141	1,141	-- --
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1999</b>	<b>\$ 4,100</b>	<b>\$ 12,473</b>	<b>\$ 8,373</b>	<b>\$ 43,021</b>	<b>\$ 2,355</b>	<b>\$ (40,666)</b>



Aging			Public Health			Total		
Services for Older Americans			Public Health Services					
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 49,788	\$ 47,516	\$ (2,272)	\$ 39,580	\$ 44,675	\$ 5,095	\$ 343,897	\$ 328,663	\$ (15,234)
200	--	(200)	200	--	(200)	65,871	19,157	(46,714)
			72	7	(65)	372	107	(265)
49,988	47,516	(2,472)	39,708	44,668	4,960	409,396	347,713	(61,683)
51,945	44,757	(7,188)	63,083	43,474	(19,609)	115,028	88,231	(26,797)
						88,120	87,924	(196)
						201,088	170,818	(30,270)
1	1	--	1,105	646	(459)	4,721	2,850	(1,871)
51,946	44,758	(7,188)	64,188	44,120	(20,068)	408,957	349,823	(59,134)
(1,958)	2,758	4,716	(24,480)	548	25,028	439	(2,110)	(2,549)
(204)	(204)	--				(204)	(204)	--
(2,162)	2,554	4,716	(24,480)	548	25,028	235	(2,314)	(2,549)
(8,438)	(8,438)	--	(7,076)	(7,076)	--	4,730	4,730	--
\$ (10,600)	\$ (5,884)	\$ 4,716	\$ (31,556)	\$ (6,528)	\$ 25,028	\$ 4,965	\$ 2,416	\$ (2,549)

# State of Illinois

## Combining Schedule of Revenues, Expenditures and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Federal Trust Funds - Agencies, Boards and Commissions

For the Year Ended June 30, 1999 (Expressed in Thousands)

	State Board of Education			Environmental Protection Agency U. S. Environmental Protection		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Federal government	\$ 1,121,074	\$ 964,927	\$ (156,147)	\$ 32,210	\$ 27,577	\$ (4,633)
Other	--	43	43	14	205	191
<b>Total revenues</b>	<b>1,121,074</b>	<b>964,970</b>	<b>(156,104)</b>	<b>32,224</b>	<b>27,782</b>	<b>(4,442)</b>
<b>EXPENDITURES:</b>						
Current:						
Education	1,144,713	998,644	(146,069)			
Public protection and justice						
Natural resources and recreation				39,569	24,522	(15,047)
Capital outlays	912	578	(334)	1,091	690	(401)
<b>Total expenditures</b>	<b>1,145,625</b>	<b>999,222</b>	<b>(146,403)</b>	<b>40,660</b>	<b>25,212</b>	<b>(15,448)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(24,551)</b>	<b>(34,252)</b>	<b>(9,701)</b>	<b>(8,436)</b>	<b>2,570</b>	<b>11,006</b>
<b>Budgetary funds-nonbudgeted accounts</b>	<b>(553)</b>	<b>(553)</b>	<b>-- --</b>			
<b>Excess (deficiency) of revenues over (under) expenditures and budgetary funds- nonbudgeted accounts</b>	<b>(25,104)</b>	<b>(34,805)</b>	<b>(9,701)</b>	<b>(8,436)</b>	<b>2,570</b>	<b>11,006</b>
Budgetary fund balances (deficits), July 1, 1998	(77,376)	(77,376)	-- --	785	785	-- --
<b>BUDGETARY FUND BALANCE (DEFICITS), JUNE 30, 1999</b>	<b>\$ (102,480)</b>	<b>\$ (112,181)</b>	<b>\$ (9,701)</b>	<b>\$ (7,651)</b>	<b>\$ 3,355</b>	<b>\$ 11,006</b>

Criminal Justice Information Authority Criminal Justice Trust			Emergency Management Agency Federal Aid Disaster			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 62,900	\$ 33,179	\$ (29,721)	\$ 55,000	\$ 37,591	\$ (17,409)	\$ 1,271,184	\$ 1,063,274	\$ (207,910)
			--	29	29	14	277	263
62,900	33,179	(29,721)	55,000	37,620	(17,380)	1,271,198	1,063,551	(207,647)
						1,144,713	998,644	(146,069)
90,700	33,260	(57,440)	143,500	37,982	(105,518)	234,200	71,242	(162,958)
						39,569	24,522	(15,047)
						2,003	1,268	(735)
90,700	33,260	(57,440)	143,500	37,982	(105,518)	1,420,485	1,095,676	(324,809)
(27,800)	(81)	27,719	(88,500)	(362)	88,138	(149,287)	(32,125)	117,162
						(553)	(553)	--
(27,800)	(81)	27,719	(88,500)	(362)	88,138	(149,840)	(32,678)	117,162
(3,586)	(3,586)	--	(3,623)	(3,623)	--	(83,800)	(83,800)	--
\$ (31,386)	\$ (3,667)	\$ 27,719	\$ (92,123)	\$ (3,985)	\$ 88,138	\$ (233,640)	\$ (116,478)	\$ 117,162



# State of Illinois

## Combining Schedule of Revenues, Expenditures and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Federal Trust Funds - State Board of Education

For the Year Ended June 30, 1999 (Expressed in Thousands)

	S.B.E. Federal Department of Agriculture			S.B.E. Federal Department of Education		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Federal government	\$ 357,083	\$ 325,969	\$ (31,114)	\$ 763,991	\$ 638,958	\$ (125,033)
Other	--			--	43	43
<b>Total revenues</b>	<b>357,083</b>	<b>325,969</b>	<b>(31,114)</b>	<b>763,991</b>	<b>639,001</b>	<b>(124,990)</b>
<b>EXPENDITURES:</b>						
Current:						
Education	356,787	334,364	(22,423)	787,926	664,280	(123,646)
Capital outlays	296	222	(74)	616	356	(260)
<b>Total expenditures</b>	<b>357,083</b>	<b>334,586</b>	<b>(22,497)</b>	<b>788,542</b>	<b>664,636</b>	<b>(123,906)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>--</b>	<b>(8,617)</b>	<b>(8,617)</b>	<b>(24,551)</b>	<b>(25,635)</b>	<b>(1,084)</b>
<b>Budgetary funds-nonbudgeted accounts</b>	<b>(422)</b>	<b>(422)</b>	<b>--</b>	<b>(131)</b>	<b>(131)</b>	<b>--</b>
<b>Excess (deficiency) of revenues over (under) expenditures and budgetary funds-nonbudgeted accounts</b>	<b>(422)</b>	<b>(9,039)</b>	<b>(8,617)</b>	<b>(24,682)</b>	<b>(25,766)</b>	<b>(1,084)</b>
<b>Budgetary fund balances (deficits), July 1, 1998</b>	<b>(41,224)</b>	<b>(41,224)</b>	<b>--</b>	<b>(36,152)</b>	<b>(36,152)</b>	<b>--</b>
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1999</b>	<b>\$ (41,646)</b>	<b>\$ (50,263)</b>	<b>\$ (8,617)</b>	<b>\$ (60,834)</b>	<b>\$ (61,918)</b>	<b>\$ (1,084)</b>

Total		
Final Budget	Actual	Variance Over (Under)
\$ 1,121,074	\$ 964,927	\$ (156,147)
--	43	43
1,121,074	964,970	(156,104)

1,144,713	998,644	(146,069)
912	578	(334)
1,145,625	999,222	(146,403)

(24,551)	(34,252)	(9,701)
(553)	(553)	--

(25,104)	(34,805)	(9,701)
(77,376)	(77,376)	--
\$ (102,480)	\$ (112,181)	\$ (9,701)

# State of Illinois

## Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Revolving Funds

For the Year Ended June 30, 1999 (Expressed in Thousands)

	Central Management Services			Corrections Working Capital		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Other	\$ 201,537	\$ 213,875	\$ 12,338	\$ 45,596	\$ 48,573	\$ 2,977
Less:						
Refunds	85	--	(85)	34	32	(2)
<b>Total revenues</b>	<b>201,452</b>	<b>213,875</b>	<b>12,423</b>	<b>45,562</b>	<b>48,541</b>	<b>2,979</b>
<b>EXPENDITURES:</b>						
Current:						
Education						
General government	239,094	219,771	(19,323)			
Transportation						
Public protection and justice				48,565	42,888	(5,677)
Capital outlays	1,400	1,074	(326)	3,051	1,068	(1,983)
<b>Total expenditures</b>	<b>240,494</b>	<b>220,845</b>	<b>(19,649)</b>	<b>51,616</b>	<b>43,956</b>	<b>(7,660)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(39,042)</b>	<b>(6,970)</b>	<b>32,072</b>	<b>(6,054)</b>	<b>4,585</b>	<b>10,639</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in	--	1,511	1,511			
Operating transfers-out	(25)	(25)	--	(72)	(72)	--
<b>Budgetary funds-nonbudgeted accounts</b>	<b>(8,089)</b>	<b>(8,089)</b>	<b>--</b>			
<b>Excess (deficiency) of revenues over expenditures, other sources (uses) of financial resources and budgetary funds-nonbudgeted accounts</b>	<b>(47,156)</b>	<b>(13,573)</b>	<b>33,583</b>	<b>(6,126)</b>	<b>4,513</b>	<b>10,639</b>
Budgetary fund balances, July 1, 1998	54,773	54,773	--	959	959	--
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1999</b>	<b>\$ 7,617</b>	<b>\$ 41,200</b>	<b>\$ 33,583</b>	<b>\$ (5,167)</b>	<b>\$ 5,472</b>	<b>\$ 10,639</b>



Other			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 5,813	\$ 4,329	\$ (1,484)	\$ 252,946	\$ 266,777	\$ 13,831
10	--	(10)	129	32	(97)
5,803	4,329	(1,474)	252,817	266,745	13,928

1,118	566	(552)	1,118	566	(552)
5,636	3,351	(2,285)	244,730	223,122	(21,608)
1,000	896	(104)	1,000	896	(104)
			48,565	42,888	(5,677)
221	6	(215)	4,672	2,148	(2,524)
7,975	4,819	(3,156)	300,085	269,620	(30,465)
(2,172)	(490)	1,682	(47,268)	(2,875)	44,393

--	1,511	1,511
(97)	(97)	--
(8,089)	(8,089)	--

(2,172)	(490)	1,682	(55,454)	(9,550)	45,904
2,000	2,000	--	57,732	57,732	--
\$ (172)	\$ 1,510	\$ 1,682	\$ 2,278	\$ 48,182	\$ 45,904

# State of Illinois

## Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Revolving Funds - Department of Central Management Services

For the Year Ended June 30, 1999 (Expressed in Thousands)

	State Garage			Statistical Services		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Other	\$ 32,738	\$ 30,685	\$ (2,053)	\$ 61,999	\$ 70,982	\$ 8,983
Less:						
Refunds	10	--	(10)	25	--	(25)
<b>Total revenues</b>	<b>32,728</b>	<b>30,685</b>	<b>(2,043)</b>	<b>61,974</b>	<b>70,982</b>	<b>9,008</b>
<b>EXPENDITURES:</b>						
Current:						
General government	35,112	29,666	(5,446)	79,247	73,288	(5,959)
Capital outlays	1,046	794	(252)	196	180	(16)
<b>Total expenditures</b>	<b>36,158</b>	<b>30,460</b>	<b>(5,698)</b>	<b>79,443</b>	<b>73,468</b>	<b>(5,975)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(3,430)</b>	<b>225</b>	<b>3,655</b>	<b>(17,469)</b>	<b>(2,486)</b>	<b>14,983</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in	--	--	--	--	1,511	1,511
Operating transfers-out	(4)	(4)	--	(8)	(8)	--
<b>Budgetary funds-nonbudgeted accounts</b>	<b>(8,089)</b>	<b>(8,089)</b>	<b>--</b>	<b>(8,089)</b>	<b>(8,089)</b>	<b>--</b>
<b>Excess (deficiency) of revenues over expenditures, other sources (uses) of financial resources and budgetary funds-nonbudgeted accounts</b>	<b>(3,434)</b>	<b>221</b>	<b>3,655</b>	<b>(25,566)</b>	<b>(9,072)</b>	<b>16,494</b>
<b>Budgetary fund balances (deficits), July 1, 1998</b>	<b>(4,855)</b>	<b>(4,855)</b>	<b>--</b>	<b>39,753</b>	<b>39,753</b>	<b>--</b>
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1999</b>	<b>\$ (8,289)</b>	<b>\$ (4,634)</b>	<b>\$ 3,655</b>	<b>\$ 14,187</b>	<b>\$ 30,681</b>	<b>\$ 16,494</b>

Communications			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 106,800	\$ 112,208	\$ 5,408	\$ 201,537	\$ 213,875	\$ 12,338
50	--	(50)	85	--	(85)
106,750	112,208	5,458	201,452	213,875	12,423
124,735	116,817	(7,918)	239,094	219,771	(19,323)
158	100	(58)	1,400	1,074	(326)
124,893	116,917	(7,976)	240,494	220,845	(19,649)
(18,143)	(4,709)	13,434	(39,042)	(6,970)	32,072
(13)	(13)	--	--	1,511	1,511
			(25)	(25)	--
			(8,089)	(8,089)	--
(18,156)	(4,722)	13,434	(47,156)	(13,573)	33,583
19,875	19,875	--	54,773	54,773	--
\$ 1,719	\$ 15,153	\$ 13,434	\$ 7,617	\$ 41,200	\$ 33,583



# State of Illinois

## Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) State Trust Funds

For the Year Ended June 30, 1999 (Expressed in Thousands)

	Central Management Services			Human Services		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Sales taxes						
Motor fuel taxes						
Federal government	\$ 618	\$ 903	\$ 285	\$ 3,586	\$ 1,705	\$ (1,881)
Other	111,377	122,424	11,047	213,893	204,015	(9,878)
<b>Total revenues</b>	<b>111,995</b>	<b>123,327</b>	<b>11,332</b>	<b>217,479</b>	<b>205,720</b>	<b>(11,759)</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services						
Education						
General government	143,908	130,410	(13,498)			
Social assistance						
Public protection and justice				19,773	11,910	(7,863)
Natural resources and recreation						
Capital outlays	18	--	(18)	425	409	(16)
<b>Total expenditures</b>	<b>143,926</b>	<b>130,410</b>	<b>(13,516)</b>	<b>20,198</b>	<b>12,319</b>	<b>(7,879)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(31,931)</b>	<b>(7,083)</b>	<b>24,848</b>	<b>197,281</b>	<b>193,401</b>	<b>(3,880)</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in						
Operating transfers-out	(6)	(6)	--	(94,497)	(94,497)	--
<b>Budgetary funds-nonbudgeted accounts</b>				<b>(123,179)</b>	<b>(123,179)</b>	<b>--</b>
<b>Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources and budgetary funds-nonbudgeted accounts</b>	<b>(31,937)</b>	<b>(7,089)</b>	<b>24,848</b>	<b>(20,395)</b>	<b>(24,275)</b>	<b>(3,880)</b>
Budgetary fund balances (deficits), July 1, 1998, as previously reported	(1,653)	(1,653)	--	45,663	45,663	--
Reclassifications between budgetary-nonbudgetary funds-net						
Budgetary fund balances (deficits), July 1, 1998 as reclassified	(1,653)	(1,653)	--	45,663	45,663	--
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1999</b>	<b>\$ (33,590)</b>	<b>\$ (8,742)</b>	<b>\$ 24,848</b>	<b>\$ 25,268</b>	<b>\$ 21,388</b>	<b>\$ (3,880)</b>

Public Aid			Revenue			Student Assistance		
Child Support Enforcement						ISAC Student Loan		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
			\$ 353,117	\$ 353,117	\$ --			
			26,128	26,128	--			
\$ 93,075	\$ 45,475	\$ (47,600)				\$ 108,000	\$ 59,820	\$ (48,180)
163,689	185,637	21,948	1,005	1,006	1	72,000	93,464	21,464
256,764	231,112	(25,652)	380,250	380,251	1	180,000	153,284	(26,716)
6,068	6,046	(22)						
						215,035	126,801	(88,234)
1,361	1,331	(30)	831	817	(14)			
137,715	107,457	(30,258)						
5,002	3,940	(1,062)				455	440	(15)
150,146	118,774	(31,372)	831	817	(14)	215,490	127,241	(88,249)
106,618	112,338	5,720	379,419	379,434	15	(35,490)	26,043	61,533
			--	40	40	(70)	(70)	--
(130,773)	(130,773)	--	(374,493)	(374,493)	--			--
(24,155)	(18,435)	5,720	4,926	4,981	55	(35,560)	25,973	61,533
20,919	20,919	--	31,564	31,564	--	64,424	64,424	--
20,919	20,919	--	31,564	31,564	--	64,424	64,424	--
\$ (3,236)	\$ 2,484	\$ 5,720	\$ 36,490	\$ 36,545	\$ 55	\$ 28,864	\$ 90,397	\$ 61,533

(continued)



# State of Illinois

## Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) State Trust Funds

For the Year Ended June 30, 1999 (Expressed in Thousands)

(continued)

	Other			Total		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Sales taxes				\$ 353,117	\$ 353,117	\$ --
Motor fuel taxes				26,128	26,128	--
Federal government	\$ 26,016	\$ 20,283	\$ (5,733)	231,295	128,186	(103,109)
Other	31,588	29,851	(1,737)	593,552	636,397	42,845
<b>Total revenues</b>	<b>57,604</b>	<b>50,134</b>	<b>(7,470)</b>	<b>1,204,092</b>	<b>1,143,828</b>	<b>(60,264)</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services	28,017	21,135	(6,882)	34,085	27,181	(6,904)
Education	1,448	286	(1,162)	216,483	127,087	(89,396)
General government	22,102	19,415	(2,687)	168,202	151,973	(16,229)
Social assistance				137,715	107,457	(30,258)
Public protection and justice	2,950	1,486	(1,464)	22,723	13,396	(9,327)
Natural resources and recreation	6,441	3,537	(2,904)	6,441	3,537	(2,904)
Capital outlays				5,900	4,789	(1,111)
<b>Total expenditures</b>	<b>60,958</b>	<b>45,859</b>	<b>(15,099)</b>	<b>591,549</b>	<b>435,420</b>	<b>(156,129)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(3,354)</b>	<b>4,275</b>	<b>7,629</b>	<b>612,543</b>	<b>708,408</b>	<b>95,865</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in	1	--	(1)	1	40	39
Operating transfers-out	(5)	(5)	--	(94,578)	(94,578)	--
<b>Budgetary funds-nonbudgeted accounts</b>	<b>(692)</b>	<b>(692)</b>	<b>--</b>	<b>(629,137)</b>	<b>(629,137)</b>	<b>--</b>
<b>Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources and budgetary funds-nonbudgeted accounts</b>	<b>(4,050)</b>	<b>3,578</b>	<b>7,628</b>	<b>(111,171)</b>	<b>(15,267)</b>	<b>95,904</b>
Budgetary fund balances (deficits), July 1, 1998, as previously reported	6,146	6,146	--	167,063	167,063	--
Reclassifications between budgetary-nonbudgetary funds-net	185	185	--	185	185	--
<b>Budgetary fund balances (deficits), July 1, 1998 as reclassified</b>	<b>6,331</b>	<b>6,331</b>	<b>--</b>	<b>167,248</b>	<b>167,248</b>	<b>--</b>
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1999</b>	<b>\$ 2,281</b>	<b>\$ 9,909</b>	<b>\$ 7,628</b>	<b>\$ 56,077</b>	<b>\$ 151,981</b>	<b>\$ 95,904</b>



**This Page Intentionally Left Blank**

# State of Illinois

## Combining Schedule of Revenues, Expenditures, Other Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) State Trust Funds - Department of Central Management Services

For the Year Ended June 30, 1999 (Expressed in Thousands)

	Local Government Health Insurance Reserve			Group Insurance Premium		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Federal government				\$ 618	\$ 903	\$ 285
Other	\$ 50,195	\$ 57,779	\$ 7,584	61,182	64,645	3,463
<b>Total revenues</b>	<b>50,195</b>	<b>57,779</b>	<b>7,584</b>	<b>61,800</b>	<b>65,548</b>	<b>3,748</b>
<b>EXPENDITURES:</b>						
Current:						
General government	71,608	64,404	(7,204)	72,300	66,006	(6,294)
Capital outlays	18	--	(18)			
<b>Total expenditures</b>	<b>71,626</b>	<b>64,404</b>	<b>(7,222)</b>	<b>72,300</b>	<b>66,006</b>	<b>(6,294)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(21,431)</b>	<b>(6,625)</b>	<b>14,806</b>	<b>(10,500)</b>	<b>(458)</b>	<b>10,042</b>
<b>OTHER (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-out	(2)	(2)	--	(4)	(4)	--
<b>Excess (deficiency) of revenues over (under) expenditures, other (uses) of financial resources</b>	<b>(21,433)</b>	<b>(6,627)</b>	<b>14,806</b>	<b>(10,504)</b>	<b>(462)</b>	<b>10,042</b>
Budgetary fund balances (deficits), July 1, 1998	2,947	2,947	--	(4,600)	(4,600)	--
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1999</b>	<b>\$ (18,486)</b>	<b>\$ (3,680)</b>	<b>\$ 14,806</b>	<b>\$ (15,104)</b>	<b>\$ (5,062)</b>	<b>\$ 10,042</b>

Total		
Final Budget	Actual	Variance Over (Under)
\$ 618	\$ 903	\$ 285
111,377	122,424	11,047
111,995	123,327	11,332

143,908	130,410	(13,498)
18	--	(18)
143,926	130,410	(13,516)

(31,931)	(7,083)	24,848
(6)	(6)	--

(31,937)	(7,089)	24,848
(1,653)	(1,653)	--
\$ (33,590)	\$ (8,742)	\$ 24,848



# State of Illinois

## Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)

### State Trust Funds - Department of Revenue

For the Year Ended June 30, 1999 (Expressed in Thousands)

	Home Rule Municipal ROT			County Option Motor Fuel Tax		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Sales taxes	\$ 353,117	\$ 353,117	\$ --	\$ 26,128	\$ 26,128	\$ --
Motor fuel taxes						
Other	832	833	1	173	173	--
<b>Total revenues</b>	<b>353,949</b>	<b>353,950</b>	<b>1</b>	<b>26,301</b>	<b>26,301</b>	<b>--</b>
<b>EXPENDITURES:</b>						
Current:						
General government	329	327	(2)	502	490	(12)
<b>Total expenditures</b>	<b>329</b>	<b>327</b>	<b>(2)</b>	<b>502</b>	<b>490</b>	<b>(12)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>353,620</b>	<b>353,623</b>	<b>3</b>	<b>25,799</b>	<b>25,811</b>	<b>12</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in	--	40	40			
<b>Budgetary funds-nonbudgeted accounts</b>	<b>(348,717)</b>	<b>(348,717)</b>	<b>--</b>	<b>(25,776)</b>	<b>(25,776)</b>	<b>--</b>
<b>Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources and budgetary funds-nonbudgeted accounts</b>	<b>4,903</b>	<b>4,946</b>	<b>43</b>	<b>23</b>	<b>35</b>	<b>12</b>
Budgetary fund balances, July 1, 1998	26,579	26,579	--	4,985	4,985	--
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1999</b>	<b>\$ 31,482</b>	<b>\$ 31,525</b>	<b>\$ 43</b>	<b>\$ 5,008</b>	<b>\$ 5,020</b>	<b>\$ 12</b>

Total		
Final Budget	Actual	Variance Over (Under)
\$ 353,117	\$ 353,117	\$ -- --
26,128	26,128	-- --
1,005	1,006	1
380,250	380,251	1

831	817	(14)
831	817	(14)

379,419	379,434	15
-- --	40	40

(374,493)	(374,493)	-- --
-----------	-----------	-------

4,926	4,981	55
31,564	31,564	-- --
\$ 36,490	\$ 36,545	\$ 55

**This Page Intentionally Left Blank**



# STATISTICAL AND ECONOMIC SECTION



**This Page Intentionally Left Blank**

## State of Illinois

### Combined Statement of Revenues, Expenditures, Other Sources and Uses of Financial Resources - GAAP Basis All Governmental Fund Types and Expendable Trust Funds

For the Last Ten Fiscal Years (Expressed in Thousands)

	1999	1998	1997	1996
<b>REVENUES</b>				
Income taxes.....	\$ 9,250,492	\$ 8,810,664	\$ 7,931,647	\$ 7,350,286
Sales taxes.....	7,688,996	7,167,852	6,823,157	6,520,321
Motor fuel taxes.....	1,306,238	1,287,585	1,231,754	1,197,288
Public utility taxes.....	1,437,604	1,207,894	1,092,681	1,047,020
Other taxes.....	3,121,697	2,774,555	2,854,650	2,901,397
Federal government.....	9,355,944	8,950,849	8,909,679	8,409,885
Licenses and fees.....	1,156,885	1,093,463	1,078,001	1,020,758
Interest and other investment income.....	586,270	421,478	359,404	351,718
Other.....	1,458,372	1,551,962	1,395,495	1,099,356
<b>Total revenues</b>	<b>35,362,498</b>	<b>33,266,302</b>	<b>31,676,468</b>	<b>29,898,029</b>
<b>EXPENDITURES</b>				
Current:				
Health and social services.....	10,891,395	9,963,460	9,289,837	8,732,071
Education.....	7,540,069	6,785,608	6,131,774	5,752,793
General government.....	5,988,951	5,565,134	4,986,851	4,917,335
Social assistance.....	3,233,091	3,539,969	3,873,387	4,131,674
Transportation.....	2,566,850	2,649,178	2,697,520	2,627,170
Public protection and justice.....	1,899,057	1,678,187	1,613,345	1,481,413
Natural resources and recreation.....	452,290	414,082	418,567	364,848
Debt service:				
Principal.....	531,373	522,953	501,299	456,350
Interest.....	432,128	443,161	442,578	433,587
Capital outlays.....	344,516	342,900	374,703	366,518
<b>Total expenditures</b>	<b>33,879,720</b>	<b>31,904,632</b>	<b>30,329,861</b>	<b>29,263,759</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>1,482,778</b>	<b>1,361,670</b>	<b>1,346,607</b>	<b>634,270</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>				
Proceeds from notes and general/special obligation bond issues.....	661,539	597,428	406,473	728,944
Proceeds from general/special obligation refunding bond issues.....	173,179	308,738	84,803	318,040
Operating transfers-in.....	6,382,561	4,545,916	4,460,454	4,395,048
Operating transfers from component units.....	15	247	777	18
Operating transfers-out.....	(5,866,140)	(4,040,335)	(3,876,480)	(3,790,475)
Operating transfers to component units.....	(1,572,189)	(1,492,592)	(1,423,032)	(1,402,746)
Capital lease financing.....	23,667	11,990	19,249	26,411
Payment to refunded bond escrow agent.....	(173,179)	(308,738)	(84,803)	(318,040)
Proceeds from certificates of participation.....				90,052
Proceeds from certificates of participation refunding...				
<b>Net other sources (uses) of financial resources</b>	<b>(370,547)</b>	<b>(377,346)</b>	<b>(412,559)</b>	<b>47,252</b>
<b>Excess (deficiency) of revenues over (under) expenditures and net other sources (uses) of financial resources</b>	<b>\$ 1,112,231</b>	<b>\$ 984,324</b>	<b>\$ 934,048</b>	<b>\$ 681,522</b>

\* As restated



	1995	1994	1993	1992	1991	1990 *
\$	6,862,484	\$ 6,341,405	\$ 5,927,379	\$ 5,645,604	\$ 5,472,105	\$ 5,338,959
	6,271,692	5,984,237	5,514,941	5,183,617	5,263,439	4,825,537 *
	1,154,482	1,098,820	1,056,565	1,032,741	1,020,294	947,840
	985,016	1,011,616	970,740	952,493	927,745	913,222
	3,266,077	3,110,413	2,739,100	1,972,536	1,903,844	1,980,669
	8,639,857	8,404,474	8,078,948	7,075,372	5,583,518	5,083,032
	1,001,099	996,453	1,144,715	1,317,403	839,862	830,495
	311,898	202,119	171,410	254,302	339,960	373,813
	1,035,374	1,308,394	552,133	470,987	416,791	390,013
	29,527,979	28,457,931	26,155,931	23,905,055	21,767,558	20,683,580
	8,623,643	7,855,039	7,387,137	6,369,477	5,117,272	4,501,034
	5,395,845	5,128,035	4,857,626	4,679,110	4,667,968	4,480,114
	4,571,183	4,417,418	4,182,189	3,967,119	4,147,658	3,608,186
	3,995,466	4,698,546	4,706,918	4,649,024	3,935,452	3,350,807
	2,713,372	2,535,653	2,372,496	2,605,775	2,540,051	2,207,848
	1,437,874	1,412,870	1,168,459	1,114,520	1,089,656	988,815
	388,607	426,270	369,944	394,158	429,966	420,014
	443,676	427,646	394,935	379,301	354,320	324,240
	444,490	396,971	380,755	350,639	343,337	378,989
	290,361	263,573	272,729	253,729	367,077	367,790
	28,304,517	27,562,021	26,093,188	24,762,852	22,992,757	20,627,837
	1,223,462	895,910	62,743	(857,797)	(1,225,199)	55,743
	776,220	686,929	522,808	588,673	621,703	635,530
		501,162	880,673	436,203		181,164
	4,149,874	3,559,780	3,546,143	3,402,400	3,204,329	2,893,649
	40	113				
	(3,564,180)	(3,002,277)	(4,136,820)	(3,965,878)	(3,861,013)	(3,520,707)
	(1,377,869)	(1,284,315)				
	10,711	23,148	41,719	21,245	35,642	39,369
		(501,162)	(880,673)	(438,686)		(224,211)
	18,802					16,671
				2,483		
	13,598	(16,622)	(26,150)	46,440	661	21,465
\$	1,237,060	\$ 879,288	\$ 36,593	\$ (811,357)	\$ (1,224,538)	\$ 77,208

## State of Illinois

### Ratio of General and Special Obligation Bonded Debt to Assessed Value and Net Bonded Debt Per Capita

For the Last Ten Fiscal Years (Expressed in Thousands Except Ratio and Per Capita Data)

For the Year Ended June 30	Population	Equalized Assessed Value	General and Special Obligation Bond Debt			Net General and Special Obligation Bond Debt	
			Total	Less Debt		Ratio to Assessed Value	Per Capita
				Service Fund	Net		
1990	11,431	\$ 117,543,328	\$ 5,144,930	\$ 214,029	\$ 4,930,901	4.19 %	431.36
1991	11,543	127,707,027	5,520,230	251,506	5,268,724	4.13	456.44
1992	11,613	136,609,057	5,918,461	257,655	5,660,806	4.14	487.45
1993	11,697	144,468,536	6,274,656	355,254	5,919,402	4.10	506.06
1994	11,752	150,144,693	6,699,950	361,549	6,338,401	4.22	539.35
1995	11,830	157,653,737	7,143,804	416,068	6,727,736	4.27	568.70
1996	11,847	165,443,101	7,537,521	499,319	7,038,202	4.25	594.09
1997	11,896	171,381,749	7,539,564	605,629	6,933,935	4.05	582.88
1998	12,045	173,812,593	7,718,410	708,468	7,009,942	4.03	581.98
1999	(a)	182,600,000 e	7,954,108	792,122	7,161,986		

e-estimated

(a)- Population and Equalized Assessed Value data are not available.

**Source: Illinois Property Tax Statistics - Illinois Department of Revenue,  
U.S. Department of Commerce, Bureau of the Census.**

**State of Illinois**

---

**Ratio of Annual Debt Service for General and Special Obligation  
Debt to Total Revenues and Expenditures - GAAP Basis  
All Governmental Fund Types  
(Primary Government and Component Units)**

---

**For the Last Ten Fiscal Years (Expressed in Thousands Except Ratio Data)**

---

For the Year Ended June 30	Principal	Interest	Total Debt Service	Revenues	Ratio	Expenditures	Ratio
1990	\$ 294,075	\$ 302,188	\$ 596,263	\$ 20,683,580	2.88 %	\$ 20,627,837	2.89 %
1991	323,270	299,723	622,993	21,767,558	2.86	22,992,757	2.71
1992	349,878	296,405	646,283	23,905,055	2.70	24,762,852	2.61
1993	369,687	318,813	688,500	26,155,931	2.63	26,093,188	2.64
1994	410,292	323,309	733,601	28,463,037	2.58	27,567,179	2.66
1995	427,902	350,295	778,197	29,555,580	2.63	28,311,850	2.75
1996	440,080	352,906	792,986	29,945,854	2.65	29,281,140	2.71
1997	479,810	359,718	839,528	31,716,307	2.65	30,345,472	2.77
1998	496,882	357,405	854,287	33,318,487	2.56	31,918,915	2.68
1999	428,718	280,593	709,311	35,415,609	2.00	33,792,060	2.10



# State of Illinois

## Revenue Bond Coverage

### Proprietary

For the Last Ten Fiscal Years (Expressed in Thousands Except Coverage Data)

Fiscal Year	Gross Revenues		Direct Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements				
					Principal	Interest	Total	Coverage	
PRIMARY GOVERNMENT									
Illinois Student Assistance Commission									
1990	\$ 59,665	(a)	\$ 7,101	\$ 52,564	\$ 56,795	(a)	\$ 31,251	\$ 88,046	.60
1991	73,133	(b)	12,859	60,274	33,200	(b)	17,184	50,384	1.20
1992	121,320	(c)	9,600	111,720	58,690	(c)	38,526	97,216	1.15
1993	131,411	(d)	12,591	118,820	68,930	(d)	40,367	109,297	1.09
1994	202,314	(e)	13,053	189,261	140,680	(e)	42,548	183,228	1.03
1995	117,416	(f)	14,142	103,274	61,720	(f)	44,596	106,316	0.97
1996	124,164	(g)	15,338	108,826	61,025	(g)	47,692	108,717	1.00
1997	144,930	(p)	20,078	124,852	76,165	(p)	51,995	128,160	0.97
1998	107,397	(r)	21,125	86,272	29,995	(r)	57,604	87,599	0.98
1999	122,697	(s)	24,327	98,370	39,320	(s)	63,494	102,814	0.96
COMPONENT UNITS									
Illinois State Toll Highway Authority -									
1990	\$ 246,602		\$ 85,909	\$ 160,693	\$ 4,265		\$ 40,517	\$ 44,802	3.59
1991	247,381		99,256	148,125	15,735		40,231	55,966	2.65
1992	258,248		101,506	156,742	27,230		48,385	75,615	2.07
1993	262,209		90,311	171,898	17,710		47,818	65,528	2.62
1994	293,092		127,132	165,960	21,545		52,149	73,694	2.25
1995	314,657		186,967	127,690	24,250		53,962	78,212	1.63
1996	325,410		167,580	157,830	25,750		54,354	80,104	1.97
1997	460,329	(q)	178,901	281,428	174,590	(q)	54,565	229,155	1.23
1998	330,713		124,470	206,243	26,610		51,553	78,163	2.64
1999	333,900		133,284	200,616	27,835		30,302	58,137	3.45
Illinois Housing Development Authority									
1990	\$ 198,080		\$ 11,426	\$ 186,654	\$ 89,455		\$ 165,763	\$ 255,218	.73
1991	521,256	(i)	12,224	509,032	421,485	(i)	176,302	597,787	.85
1992	277,018	(j)	12,979	264,039	146,388	(j)	184,577	330,965	.80
1993	272,645	(k)	14,651	257,994	328,676	(k)	172,455	501,131	.51
1994	329,589	(l)	18,429	311,160	793,354	(l)	149,209	942,563	.33
1995	220,268	(m)	16,446	203,822	226,107	(m)	121,482	347,589	.59
1996	360,854	(n)	174,136	186,718	173,146	(n)	129,502	302,648	.62
1997	162,470		9,970	152,500	194,067		132,541	326,608	.47
1998	291,916		174,521	117,395	387,165		145,732	532,897	.22
1999	269,691		161,769	107,922	234,080		127,247	361,327	.30
Illinois Rural Bond Bank -									
1992	(o) \$ 1,343		\$ 700	\$ 643	\$ 95		\$ 279	\$ 374	1.72
1993	1,917		535	1,382	630		1,384	2,014	.69
1994	2,528		642	1,886	1,135		1,730	2,865	.66
1995	3,068		564	2,504	1,325		2,455	3,780	.66
1996	3,338		511	2,827	1,875		2,932	4,807	.59
1997	3,940		730	3,210	2,130		3,469	5,599	.57
1998	5,966		1,016	4,950	2,975		4,410	7,385	.67
1999	7,136		1,349	5,787	3,295		4,503	7,798	.74

- (a) The Commission advance refunded their previously issued bonds in January 1990. The amount of the proceeds utilized for refunding was \$27,570
- (b) The Commission redeemed \$33.2 million of principal with bond proceeds in February 1991
- (c) The Commission redeemed \$58.69 million of principal with bond proceeds in January 1992
- (d) The Commission redeemed \$68.27 million of principal with bond proceeds in December 1992
- (e) The Commission redeemed \$135.86 million of principal with bond proceeds in February 1994
- (f) The Commission redeemed \$49.695 million of principal with bond proceeds in February 1995
- (g) The Commission redeemed \$49.9 million of principal with bond proceeds in February 1996
- (i) The Authority advance refunded their previously issued bonds throughout the year. The amount of the proceeds used for refunding was \$301,737
- (j) The Authority advance refunded their previously issued bonds throughout the year. The amount of the proceeds used for refunding was \$58,750
- (k) The Authority redeemed \$58.005 million of principal with bond proceeds throughout the year. In addition, the Authority used \$4.241 million from the sale of mortgage loan receivables to redeem previously issued bonds
- (l) The Authority redeemed \$146.645 million of principal with bond proceeds throughout the year
- (m) The Authority redeemed \$57.625 million of principal with bond proceeds in November 1994
- (n) The Authority redeemed \$32.44 million of principal with bond proceeds in November 1995
- (o) First year the Bank issued revenue bonds
- (p) The Commission redeemed \$68.0 million of principal with bond issuance proceeds of \$23.7 million in February 1997 and \$44.3 million in May 1997
- (q) The Authority issued \$148.3 million of revenue bonds in October 1996 to current refund \$144.3 million of revenue bonds
- (r) The Commission redeemed \$19.3 million of principal with bond issuance proceeds of \$19.3 million in February 1998
- (s) The Commission redeemed \$34.6 million of principal with bond issuance proceeds in February 1999

## State of Illinois

### Revenue Bond Coverage \*

#### University

For the Last Ten Fiscal Years (Expressed in Thousands Except Coverage Data)

Fiscal Year	Revenues/ Other Additions	Expenditures/ Other Deductions	Net Revenue/ Additions Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1990	\$ 304,535	\$ 262,707	\$ 41,828	\$ 20,358	\$ 12,078	\$ 32,436	1.29
1991	313,066	253,813	59,253	20,031	22,233	42,264	1.40
1992	336,807	272,979	63,828	20,160	26,176	46,336	1.38
1993	413,427	345,794	67,633	19,323	27,546	46,869	1.44
1994	361,832	295,495	66,337	21,600	27,224	48,824	1.36
1995	362,303	291,301	71,002	21,495	29,232	50,727	1.40
1996	457,926	383,897	74,029	25,059	28,754	53,813	1.38
1997	787,489	685,854	101,635	28,161	32,229	60,390	1.68
1998	833,590	720,247	113,343	32,520	39,139	71,659	1.58
1999	210,594	168,813	41,781	13,430	16,694	30,124	1.39

\* Chicago State, Eastern, Northeastern, Western, Illinois State, Northern, Southern Illinois, and the University of Illinois.  
The above amounts do not include student tuition and fees which are generally available, if necessary, to cover bond debt service requirements. The tuition and fees amounts, if included, would significantly increase debt service coverage.

## State of Illinois

### Population by Age Group

	ILLINOIS			
	1980	Percent	1990	Percent
Under 5 years	842,324	7.4 %	848,141	7.4 %
5 - 19 years	2,836,273	24.8	2,451,088	21.5
20 - 44 years	4,221,949	37.0	4,553,416	39.8
45 - 64 years	2,264,972	19.8	2,141,412	18.7
65 years and over	1,261,911	11.0	1,436,545	12.6
Total	11,427,429	100.0 %	11,430,602	100.0 %

	UNITED STATES			
	1980	Percent	1990	Percent
Under 5 years	16,298,350	7.2 %	18,354,443	7.4 %
5 - 19 years	56,117,954	24.8	56,976,857	22.9
20 - 44 years	84,112,743	37.1	95,765,733	38.5
45 - 64 years	44,518,372	19.6	46,371,009	18.6
65 years and over	25,498,386	11.3	31,241,831	12.6
Total	226,545,805	100.0 %	248,709,873	100.0 %

**Sources:** *Illinois Bureau of the Budget, Current Population Reports: Local Population Estimates, Series P-26, August 1987.*

*Illinois Bureau of the Budget, Current Population Reports: Population Estimates and Projections, Series P-25, July 1988.*

*Illinois Bureau of the Budget, Data From 1990 Census, Summary Tape File 1, July 1991.*

## State of Illinois

### Total Personal Income

For the Last Ten Fiscal Years

Year	Amount (millions)	Percent Change	Per Capita Personal Income	
			Illinois	United States
1990	\$ 227,480	5.88 %	\$ 19,937	\$ 18,741
1991	238,535	4.86	20,868	19,568
1992	249,348	4.53	21,621	20,151
1993	263,419	5.64	22,650	20,986
1994	274,623	4.25	23,436	21,712
1995	291,648	6.20	24,728	22,731
1996	306,031	4.93	25,791	23,683
1997	323,479	5.70	27,107	24,859
1998	340,208	5.17	28,376	25,986
1999	359,025	5.53	29,806	27,194

**Source:** *Survey of Current Business, U.S. Department of Commerce*



## State of Illinois

### Employment/Unemployed

For the Last Ten Fiscal Years

Year	Total Employment	Unemployment	
		Unemployed	Rate (Percent)
1990	5,606,033	362,748	6.1
1991	5,534,388	390,743	6.6
1992	5,509,351	476,998	8.0
1993	5,557,911	442,825	7.4
1994*	5,627,506	399,996	6.6
1995*	5,753,199	317,745	5.3
1996*	5,814,414	325,368	5.3
1997*	5,874,869	306,128	5.0
1998*	5,921,570	282,628	4.6
1999*	6,004,462	267,498	4.3

\* Due to changes in the employment survey, the results of the employment survey beginning in 1994 and after are not comparable to earlier reports.

**Source: U.S. Department of Labor, Bureau  
of Labor Statistics Employment  
and Earnings**

## State of Illinois

### Employment by Industry

For the Last Ten Fiscal Years (Expressed in Thousands)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Mining	20	19	18	17	15	14	13	12	11	11
Construction	218	213	200	197	206	214	220	229	233	243
Manufacturing	988	965	921	928	944	958	965	971	977	974
Transportation and Public Utilities	307	307	302	307	314	321	328	336	343	350
Wholesale and Retail Trade	1,263	1,259	1,240	1,238	1,262	1,301	1,309	1,316	1,324	1,347
Finance, Insurance and Real Estate	375	380	376	381	390	385	385	392	402	408
Services	1,326	1,357	1,385	1,437	1,487	1,547	1,612	1,664	1,730	1,795
Government	755	770	773	775	777	795	803	808	811	814
Total	5,252	5,270	5,215	5,280	5,395	5,535	5,635	5,728	5,831	5,942

**Source: U.S. Department of Labor**

## ***State of Illinois***

### **Contracts for Future Construction And Residential Building Activity**

For the Last Ten Fiscal Years

Year	Contracts For Future Construction (millions)	Residential Building Activity	
		Permits	Valuation (millions)
1990	\$ 11,800	41,070	\$ 3,696
1991	8,923	32,367	3,008
1992	10,026	37,358	3,582
1993	10,851	40,381	3,882
1994	11,041	47,168	4,891
1995	11,182	48,506	4,918
1996	11,556	49,304	4,915
1997	11,666	49,248	5,128
1998	11,850	45,576	5,398
1999	15,377	49,547	5,891

**Sources: Illinois Department of Commerce  
& Community Affairs**

**Dodge Division, McGraw Hill  
Information System Co.**

## ***State of Illinois***

### **Sales of All Retail Stores Annual**

For the Last Ten Fiscal Years (Expressed in Millions)

Year	Illinois*	Percent of Change	
		Illinois*	United States
1990	\$ 86,235	6.5	6.0
1991	90,390	4.8	2.3
1992	91,792	1.6	2.3
1993	93,777	2.2	6.0
1994	97,313	3.8	7.3
1995	101,481	4.3	6.7
1996	107,867	6.2	4.9
1997	110,779	2.7	4.2
1998	116,793	5.4	4.8
1999	122,500	7.3	7.2

\* The U.S. Department of Commerce has discontinued their monthly state retail sales series. Fiscal years 1996, 1997 and 1998 were estimated by the Department of Commerce & Community Affairs based on sales tax collections from the Illinois Department of Revenue.

**Source: Illinois Department of Commerce  
& Community Affairs**

# State of Illinois

## Cash Receipts from Farm Marketings

For the Last Ten Calendar Years (Expressed in Millions)

Year	Livestock					Crops					Total Livestock and Crops
	Cattle	Hogs	Dairy Products	Other Livestock and Products	Total Livestock and Products	Corn	Soybeans	Wheat	Other Crops	Total Crops	
1990	\$ 802	\$ 1,206	\$ 357	\$ 112	\$ 2,477	\$ 2,768	\$ 2,059	\$ 259	\$ 375	\$ 5,461	\$ 7,938
1991	740	1,172	339	93	2,344	2,681	1,958	125	401	5,165	7,509
1992	708	1,037	332	400	2,477	2,493	2,104	178	496	5,271	7,748
1993	780	1,126	313	99	2,318	2,893	2,378	170	473	5,914	8,232
1994	705	939	322	104	2,070	2,849	2,385	179	476	5,889	7,959
1995	609	892	304	101	1,906	3,410	2,448	251	466	6,575	8,481
1996	536	1,055	332	116	2,039	3,274	2,534	170	465	6,443	8,482
1997	507	1,014	297	111	1,929	3,349	3,026	183	497	7,055	8,984
1998	474	679	317	105	1,575	2,922	2,644	148	454	6,168	7,743
1999 *											

\* Information unavailable

Source: Agricultural Outlook, U.S. Department of Agriculture



## State of Illinois

### Largest Manufacturers

(Ranked by Number of Employees)

Company	Number of Employees	Number of Illinois Installations
Caterpillar, Inc.	31,300	25
Motorola, Inc.	25,000	46
Abbott Laboratories	15,300	15
Deere & Company	9,900	10
Lucent Technologies	9,300	1
Baxter Healthcare Corp.	8,900	10
Kraft Foods Inc.	8,200	19
General Electric Company	7,600	41
RR Donnelly & sons	7,400	15
Chicago Tribune Company	7,100	7
Amoco Corporation	7,000	27
Ford Motor Company	6,700	4
Textron, Inc.	6,600	17
Zenith Electronics Corp.	5,500	5
Illinois Tool Works, Inc.	6,100	49
ADM Co.	5,400	41
Stone Container Corporation	5,200	10
Honeywell Inc.	4,900	9
General Motors	4,300	8
Mitsubishi Motors Corp.	4,000	3
Alberto-Culver Company	3,900	3
Chrysler Corporation	3,800	3
Tenneco Inc.	3,800	20
Borg-Warner Corp	3,600	4
National Steel Corp	3,500	3

Source: Dun & Bradstreet

## State of Illinois

### Bituminous Coal Production

#### Annual

For the Last Ten Calendar Years (Expressed in Millions of Tons)

Year	Surface	Underground	Total	Percent Total of U.S.
1990	18,646	43,011	61,657	6.0 %
1991	15,903	44,132	60,035	6.1
1992	12,848	47,484	60,332	6.2
1993	7,937	34,207	42,144	4.5
1994	9,246	44,781	54,027	5.3
1995	6,878	42,659	49,537	4.0
1996	7,600	39,700	47,300	4.5
1997	6,300	35,000	41,300	3.8
1998	4,415	39,224	43,639	3.5
1999 <sup>a</sup>	1,713	19,369	21,082	3.9

<sup>a</sup> - through June

Source: Illinois Department of Natural Resources

# THE PUBLIC ACCOUNTABILITY PROJECT

One of the priorities of the Illinois Office of the Comptroller is to improve the accountability of state governmental agencies to the public they serve. To this end, the Comptroller has launched the Public Accountability Project, which, in cooperation with the Governor's Office of Strategic Planning, has instituted a process by which state agencies annually report on their performance in carrying out their statutory missions.





## EXPLANATORY NOTES

---

This year's SEA report is the third issued by the Illinois Office of the Comptroller, but it is the first done under a formalized reporting process initialized with the top state agencies in Illinois government. That, along with an effort to expand the range of information, makes for a larger, expanded report.

■ **Formal reporting process.** With the cooperation of the Governor's Office of Strategic Planning, the Comptroller initiated a process to incorporate nineteen of the largest departments and agencies in state government into the SEA reporting system. Together the budgets of these nineteen agencies represent over 85% of the state budget for fiscal year 1999.

The first SEA Reporting Conference in Illinois State government, conducted with the assistance of the Department of Accountancy at the University of Illinois at Springfield, began a process of preparing these selected agencies to compile their performance reports. With input and direction from the Office of the Comptroller and the Governor's Office of Strategic Planning, the agencies chose key programs on which to report and identified the mission statements, goals, and key indicators that reflect their performance. These nineteen reports are the first compiled by the agencies themselves.

■ **Survey of public opinion on state government services.** One of the goals of SEA reporting (and performance reporting generally) is to make agencies more aware of their customers. Customer satisfaction, as gauged in customer satisfaction surveys, is recognized in SEA reporting as a key indicator of performance. For state government, the customer is the public.

A few state agencies do survey their direct consumers on a limited basis, and the results of those surveys are reflected in their individual SEA reports. This year's Public Accountability Report, however, contains the results of a statewide survey of public opinion on our state's performance in key programmatic areas. Carried out by the Center for Governmental Studies at Northern Illinois University, the survey gauges the general public's attitudes about the importance of certain programmatic areas as well as their opinion on how well we as a state address those areas.

■ **Mission statements, goals, and external benchmarks.** Integrated into the SEA reporting format this year are mission statements, goals, and external benchmarks. This information supplies an overall context for the reported programs. Mission statements and goals set expectations about the outcomes programs strive to reach. External benchmarking (an aspect of reporting that will require development) looks at the performance of comparable programs in other states (or national norms) to determine where our programs rank.

■ **Summaries of program areas.** Like the Illinois State Budget, the Public Accountability Report is broken down into six program areas: Education, Human Services, Public Safety, Environment and Business Regulation, Economic Development and Infrastructure, and Government Services. All state agencies are assigned to one of these program areas. For the first time, the Public Accountability Report presents summary data on these program areas that convey basic inputs (expenditures) and key outcomes for these areas as a whole. This type of overall reporting links agencies within the same program area to common outcomes that, individually, they may only indirectly affect.

■ **Validity and reliability of SEA information.** Except for specific instances that may have required clarification, no attempt has been made to verify or reconcile reported expenditures or performance data. None of the reported performance data has been audited, nor does it fall within the scope of the audit opinion. The information provided has been reported or submitted by each agency unless explicitly noted otherwise. The verifiability and reliability of reported performance data remain a long-term challenge for SEA reporting.

■ **Reporting standards.** SEA reporting is in its experimental stages. (Illinois has been re-designated as an "experimental site" by GASB.) Therefore, at present, no generally accepted standards have been set for this type of reporting. The evolutionary process of instituting performance reporting in Illinois is also the process for setting standards.





# INDEX TO THE PUBLIC ACCOUNTABILITY REPORT

---

	Page
<b>SURVEY OF CITIZEN SATISFACTION</b> .....	285
<b>EDUCATION</b>	
State Board of Education .....	301
<b>HUMAN SERVICES</b>	
Department on Aging .....	307
Department of Children and Family Services .....	310
Department of Human Services .....	316
Department of Public Aid .....	326
Department of Public Health .....	332
<b>PUBLIC SAFETY</b>	
Department of Corrections .....	339
Department of State Police .....	345
<b>ENVIRONMENT AND BUSINESS REGULATION</b>	
Environmental Protection Agency .....	351
Department of Natural Resources .....	356
<b>ECONOMIC DEVELOPMENT AND INFRASTRUCTURE</b>	
Department of Agriculture .....	360
Department of Commerce and Community Affairs .....	362
Department of Employment Security .....	368
Department of Transportation .....	371
<b>GOVERNMENT SERVICES</b>	
Office of the State Comptroller .....	378
Capital Development Board .....	382
Department of Central Management Services .....	385
Department of Lottery .....	392
Department of Revenue .....	393





# SURVEY OF CITIZEN SATISFACTION

---

## *Introduction*

The Center for Governmental Studies at Northern Illinois University administered a telephone survey of 802 Illinois residents in the fall of 1999. The survey was designed to represent the adult (18 and over) household residents of Illinois. The purpose of the survey was to assess citizen satisfaction with programs and services provided or funded by state government.

The major findings from the survey emphasize the public's concern with education:

■ When asked to identify the most important issue facing Illinois, nearly one third of the public volunteered education. Crime is second, designated as most important by over 13 percent.

■ The public views all areas of State government services - from education to human services to economic development - as important to Illinois. The percentage of survey respondents considering any particular area important varied little. In fact, every area was considered to be **important** or **very important** by nine out of every ten survey respondents. Public education ranks highest with over 90 percent stating that it is **very important** for the people of Illinois.

■ Interviewers asked respondents to rate Illinois' performance in the various service areas. Over 50 percent gave the public education system above average ratings; however, that is the second lowest rating of any program area. Forty-seven percent gave **medium-high** scores to Illinois' public education, and 12 percent gave it **high** scores.

■ Public health services were rated the highest among the service or program areas, with 23 percent of respondents giving them **high** ratings and another 56 percent giving **medium-high** ratings.

■ The majority of people (over 60 percent) are generally satisfied with the ways things are going with state government.

## *Survey Instrument*

The survey instrument comprises nine major sections with each section having questions about a state government program area. The topical sections of the survey instrument include:

Education  
Higher Education  
Public Health  
Medicaid and Human Services  
Public Safety  
Environment and Business Regulation  
Economic Development  
Transportation  
Government Services

Survey questions within each section focus on two evaluative dimensions. The first is importance - interviewers asked respondents how important a program area (or major division of a program area) is to the people of Illinois. Each section also includes questions asking people to rate the efficacy of programs or services. These questions generally refer to specific program objectives identified by state agencies in their Service Efforts and Accomplishments (SEA) reports.

## *Survey Methods*

Interviewers contacted household residents of Illinois by telephone and carried out interviews from November 11th through December 2nd of 1999. Interviewers worked at computer workstations linked to a computer-assisted telephone interviewing (CATI) software system that controls the presentation of questions and records the responses. The survey used a two-stage sampling strategy. At the first stage, a sample of telephone numbers was drawn according to random-digit-dialing methodology. For the second stage, an adult was selected at random from among the adults in a household. The survey used a disproportionately stratified sample design, with the sample divided into six regions: Chicago; the balance of Cook County; the Collar Counties; the remainder of Northern Illinois; Central Illinois; and Southern Illinois. The data were weighted in order to represent the adult population of Illinois.

---

### Analysis of Survey Results

The data obtained from the citizen satisfaction survey were used to construct a performance evaluation rating for seven program areas:

Education through 12th grade  
Public Health  
Medicaid and Human Services  
Public Safety  
Environmental Protection  
Economic Development  
Transportation

By combining responses to all the questions in each area, an average measure was computed to give an overall rating or **Summary Performance Evaluation** for each program area. Each response to a question was assigned a numeric code. For example, if a respondent rated a service as **excellent**, that response was coded as "1" in the data file. For the purpose of creating the average measure, responses were re-coded, reversing the polarity so that an **excellent** received a value of 5. Mean scores were then calculated using the re-coded responses. The average (mean) scores were collapsed into indices for each program area, using the following categories:

**High Scores** - those which averaged above 4.0 up to 5.0

**Medium-High Scores** - those which averaged above 3.0 up to 4.0

**Medium-Low Scores** - those which averaged above 2.0 up to 3.0

**Low Scores** - those which averaged between 1.0 and 2.0

The Summary Performance Evaluations are presented in the following analysis as distributions of the number of respondents who gave **high**, **medium-high**, **medium-low** or **low** scores.

The responses to the survey questions are presented in the analysis as weighted percentages of valid responses unless otherwise indicated. Questions about how important a program area is to the people of Illinois are ranked for presentation according to the percentage of **important** or **very important** responses. This is followed by the Summary Performance Evaluations for all the program areas, ranked from the most to least positive rating. The ensuing sections of the analysis present the results from each of the program areas. Each of these sections begins with a restatement of the importance rating given to the program area. Next, each of these sections presents the public's responses to the questions asked about services in a particular program area. Each section then concludes with the Summary Performance Evaluation constructed from the questions that program area.



## Most Important Problem Facing Illinois

*What do you consider the most important problem facing the state today?*

Education tops the list of concerns for Illinois residents, with nearly one-third citing education as the most important problem facing the state today. Respondents to the survey mentioned an array of other issues, with crime being the second most prevalent concern, taxes and spending in third place, politics and government in fourth place and roads in fifth place.

### Most Important Problem Facing the State

Education	30.6%
Crime	13.1%
Taxes, Spending	11.1%
Government, Politics	9.3%
Roads, Traffic	6.0%
Other	29.9%

People volunteering education as the most important problem mentioned several related issues - school funding most often. Most respondents who thought taxes are the biggest problem say that taxes are too high or that they do not see the return for their taxes. Most people who cited government or politics brought up the need for integrity in public officials. Regarding transportation, both the need for repairs and traffic congestion were cited by people who consider roads the most important problem facing the state.

## Service Areas of State Government Ranked by Importance to the Public

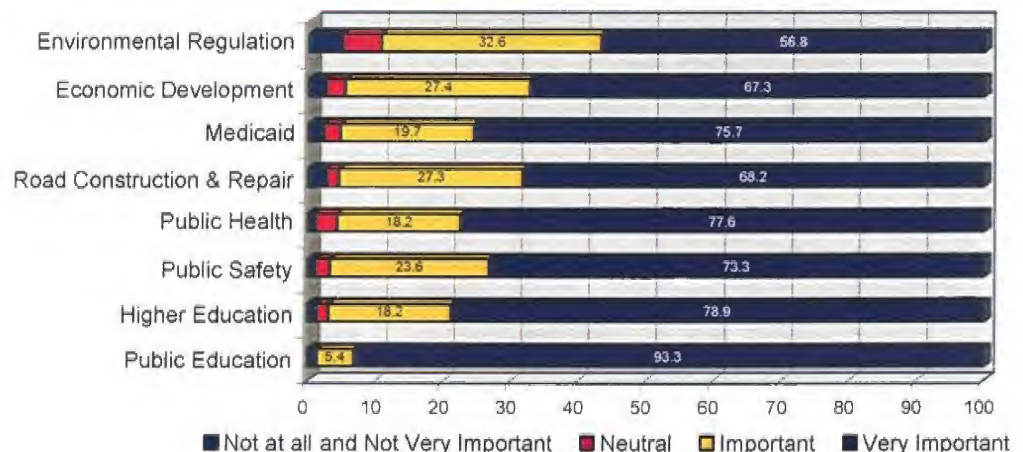
*How important do you think...is for the people of Illinois? Would you say very important, somewhat important, not very important, or not at all important?*

The emphasis on education as the predominant issue for Illinois residents is reiterated in the rankings of program or service areas by importance. Having a good public education system (through 12th grade) was rated as **very important** by the vast majority (93.3 percent) of respondents. The second ranked area is higher education, with 78.9 percent of respondents stating higher education is very important for the people of Illinois.

Although respondents found some program areas more important than others, all areas of state government service were rated as either **important** or **very important** by the majority of respondents. Regulating business to protect the environment was the only area rated very important by less than two thirds of the respondents.

These findings clearly indicate that Illinois residents consider all program areas to be very important to the people of Illinois.

### Importance of Services as Viewed by the Public



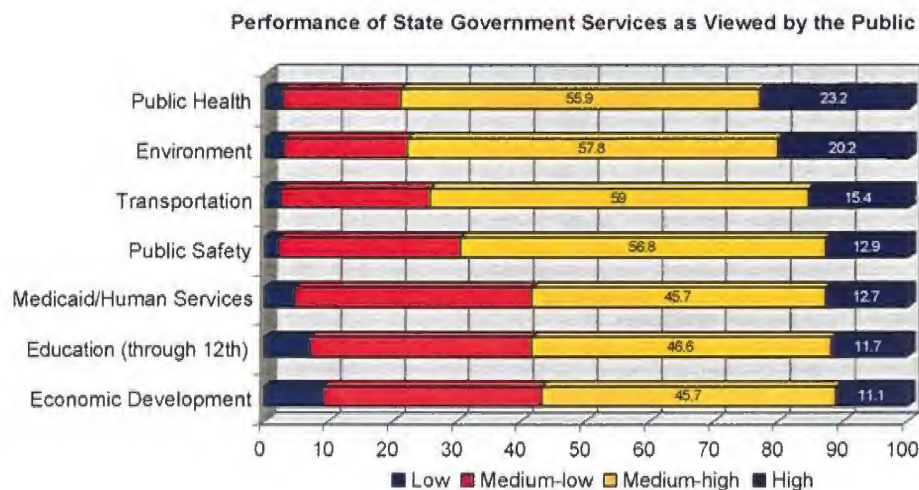


---

## *Performance of State Government Services as Ranked by the Public*

Summary Performance Evaluations were calculated for each respondent as the average rating based on his or her responses to the bank of questions for each program area. The resulting values were collapsed into four categories for presentation: **low**, **medium-low**, **medium-high** and **high**. The program areas are ranked below according to the percentage of respondents whose averages amounted to **high** ratings for Illinois' performance in each program area as a whole.

The majority of respondents credited Illinois with performing above average in all service or program areas. Public Health, however, received the highest rating, with over half the people giving Illinois above average ratings and nearly one-fourth giving high ratings. It is notable that public education, considered by the public to be the most important program area, ranks second lowest in terms of performance.



## SURVEY OF CITIZEN SATISFACTION: EDUCATION

*How important do you think having a good public education system through 12th grade is for the people of Illinois?*



Over 93 percent of respondents stated having a good public education system is **very-important** for Illinois, and over 98 percent stated it was **important** or **very important**.

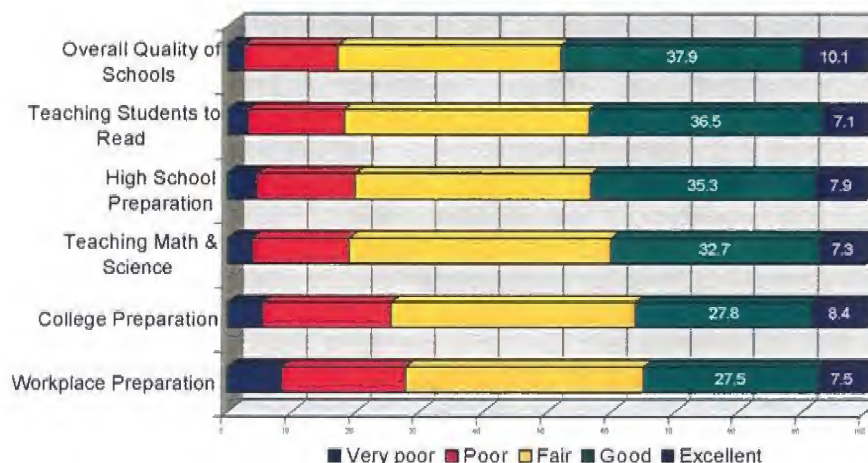
### Citizens' Ratings of Educational Services

*How would you rate the overall quality of public schools through 12th grade in Illinois?*

*How good a job do you think our schools in Illinois are doing...?*

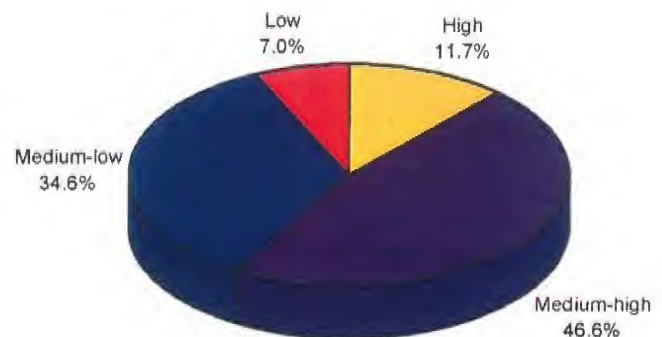
Slightly less than one half of respondents rated the overall quality of public schools in Illinois as either **good** or **excellent**. Ratings of specific program outcomes were lower still, ranging from 43.6 percent who rated the schools as **good** or **excellent** on teaching students to read to 35 percent who gave schools an above average rating for preparing students for the workplace.

Ranking of Educational Services



### Summary Performance Evaluation for Education

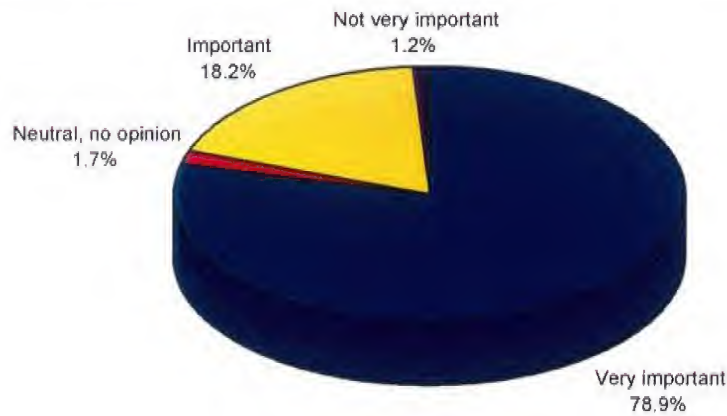
The Summary Performance Evaluation for public education (kindergarten through 12th grade) was calculated as an average of the responses to the questions above. Just over 58 percent of respondents gave public education medium-high or high ratings.



## SURVEY OF CITIZEN SATISFACTION: HIGHER EDUCATION

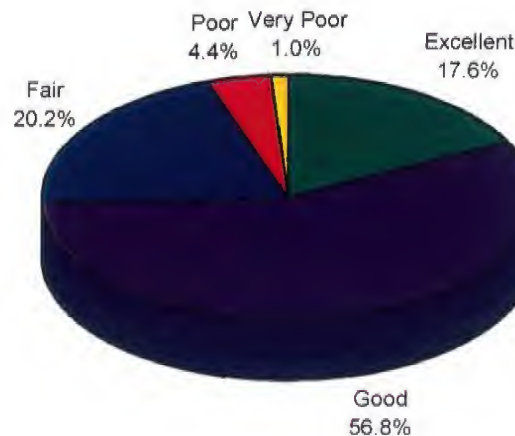
---

*How important do you think having good higher education is for the people of Illinois?*



Over 97 percent of respondents stated having good higher education is either **important** or **very important** for Illinois.

*How well do you think Illinois community colleges, colleges and Universities prepare students to enter the workplace? Would you say they do an excellent, good, fair, poor or very poor job?*

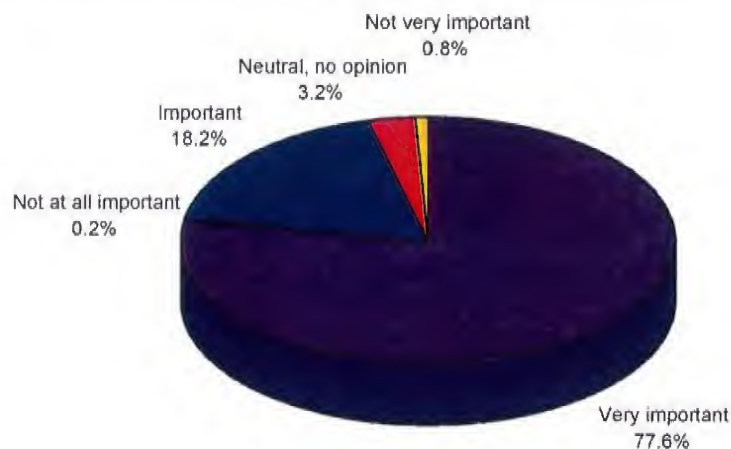


Only one question addressed the performance of public colleges and Universities. Over three-fourths of respondents thought that public colleges or Universities do either a **good** or **excellent** job preparing students for the workplace.



## SURVEY OF CITIZEN SATISFACTION: PUBLIC HEALTH

*Public health includes health protection, such as water testing and preventive health programs such as screening and immunization. How important do you think public health programs are for the people of Illinois?*



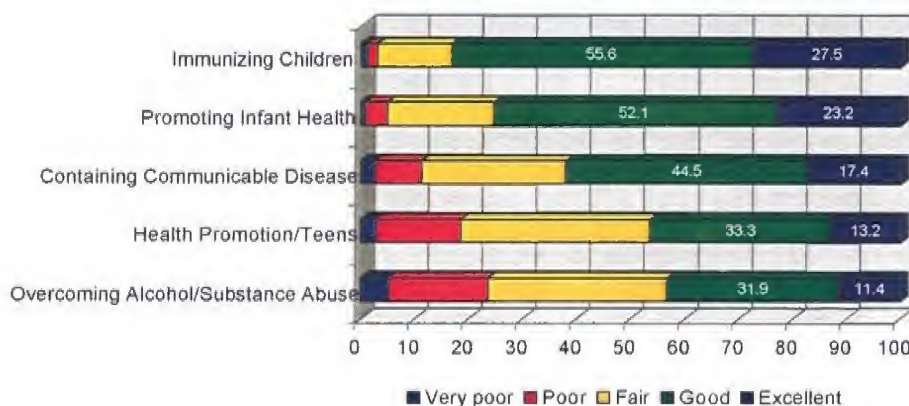
Over 95 percent of respondents said public health services are **important** or **very important** for Illinois.

### Citizens' Ratings of Public Health Services

*How good a job do you think we are doing in Illinois..?*

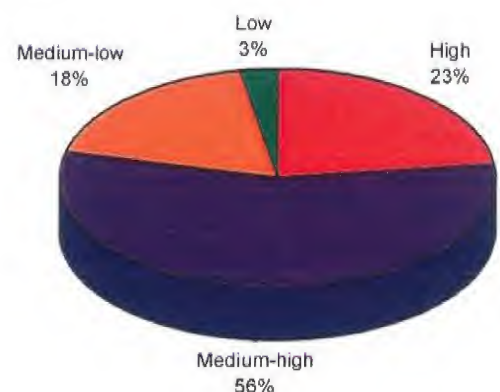
The highest marks in the Public Health area are for making sure children receive their immunizations, a service which over three-fourth of the respondents gave a **good** or **excellent** rating. Promoting infant health through prenatal care, supplementary food and well-baby care received slightly lower ratings, with still over three-fourths of the people giving a **good** or **excellent** rating. Ratings dropped below half **good** or **excellent** for health education and health promotion for teens. Helping people overcome an alcohol or substance abuse problem ranked lowest, with 43.3 percent giving their State a **good** or an **excellent** rating.

Ranking of Public Health Services



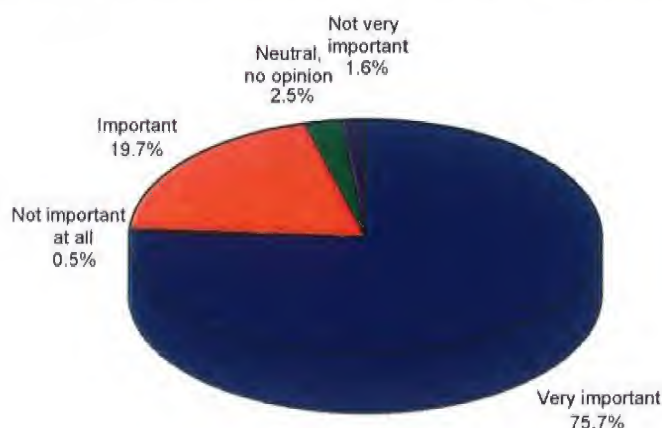
### Summary Performance Evaluation for Public Health

The Summary Performance Evaluation for public health was calculated as an average of the responses to the questions above. Just over 79 percent of respondents give public health services a **medium-high** or **high** ratings.



## SURVEY OF CITIZEN SATISFACTION: MEDICAID AND HUMAN SERVICES

*Medicaid uses state and federal monies to cover lower income families and the elderly so they can receive health care services. How important do you think Medicaid is for the people of Illinois?*



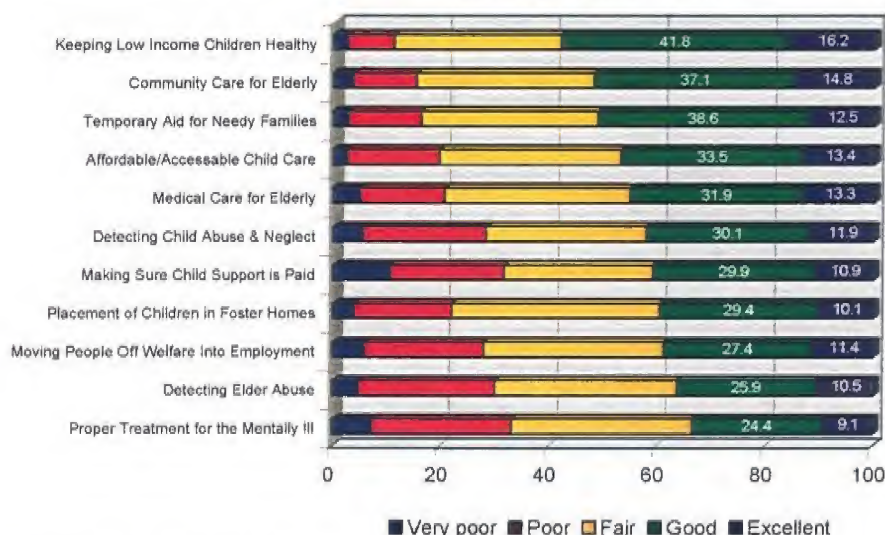
Over 95 percent of respondents stated that Medicaid is **important** or **very important** for Illinois.

### Citizens' Ratings of Medicaid and Human Services

*How good a job do you think we are doing in Illinois...?*

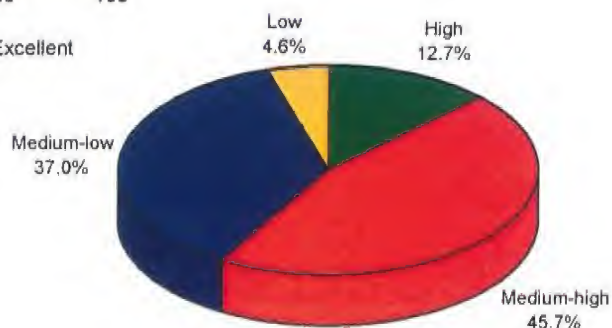
Maintaining the health of lower income children ranked highest among the human services, with 58 percent of respondents thinking Medicaid is doing either a **good** or **excellent** job keeping children healthy. Less than 50 percent think Illinois is **good** or **excellent** in making child care services available and accessible in Illinois. The lowest ranking is in care for the mentally ill. About one-third of respondents thought we were doing a **good** or **excellent** job at assuring the mentally ill have adequate care before returning to the community.

**Ranking of Human Services**



### Summary Performance Evaluation for Human Services

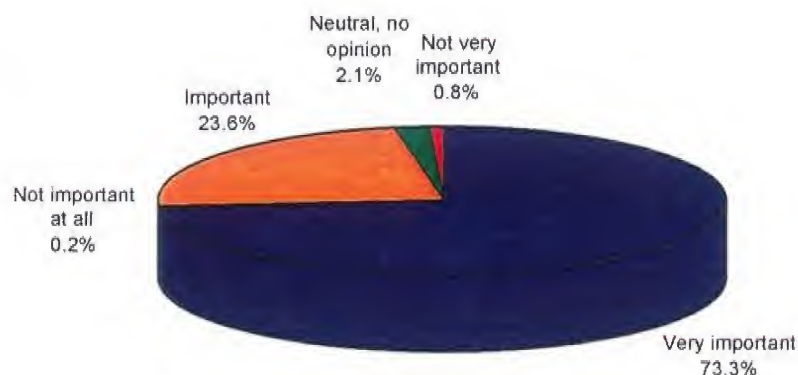
The Summary Performance Evaluation for human services was calculated as an average of the questions above. Over 58 percent of respondents gave **medium-high** or **high** ratings to Illinois' human services.





## SURVEY OF CITIZEN SATISFACTION: PUBLIC SAFETY

*The public safety area includes adult and juvenile corrections, and the state police. How important do you think the public safety program area is for the people of Illinois?*



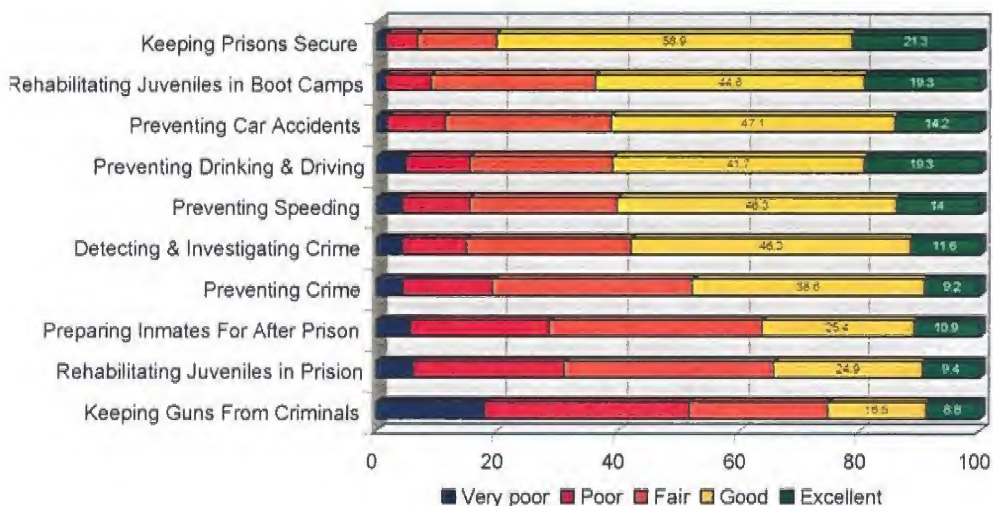
Over 95 percent of respondents stated public safety is **important** or **very important** for Illinois.

### Citizens' Ratings of Public Safety Outcomes

*How good a job do you think we are doing in Illinois...?*

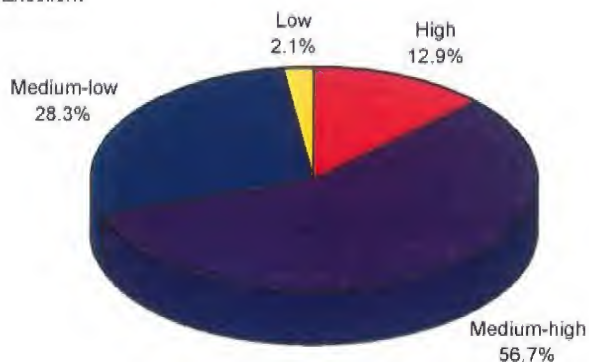
The public gives the highest ratings in the public safety area to "making sure prisons and correctional facilities are secure," with 80.2 percent of respondents stating we are doing a **good** or **excellent** job. Less than half of the public thinks our efforts at "preventing crime" are **good** or **excellent**. Moreover, only about one-fourth of its citizens think Illinois is doing better than fair at keeping guns out of the hands of criminals.

**Ranking of Public Safety Outcomes**



### Summary Performance Evaluation for Public Safety

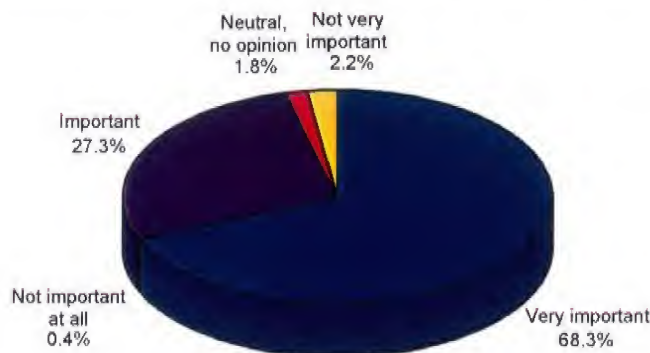
The Summary Performance Evaluation for public safety was calculated as an average of the responses to the above questions. Nearly 70 percent of respondents gave public safety medium high or high ratings.





## SURVEY OF CITIZEN SATISFACTION: TRANSPORTATION

*Please rate how important you think the construction and repair of roads, highways and bridges is to Illinois.*



Over 95 percent of respondents stated construction and repair is **important** or **very important** for Illinois.

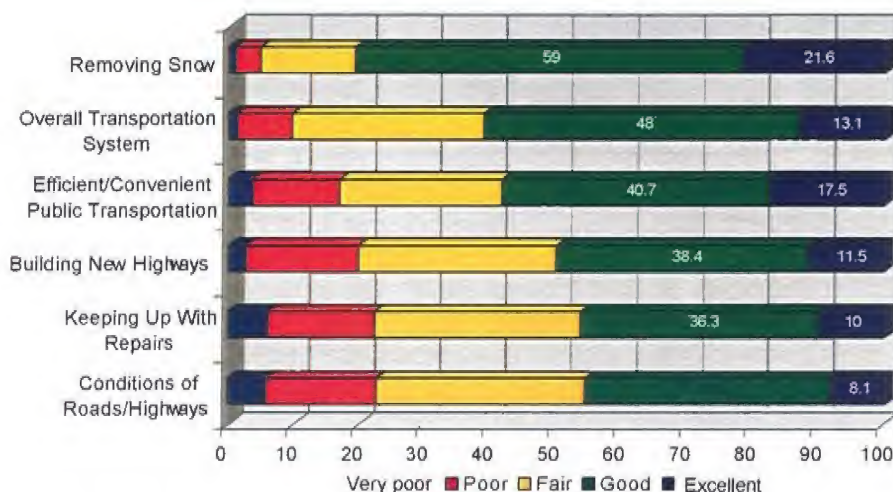
### Citizens' Ratings of Transportation Services

*How would you rate the overall condition of roads and highways?*

*Thinking about our entire transportation system in Illinois which includes public transportation as well as roads and highways, what overall rating would you give our transportation system?*

*How good a job do you think we are doing in Illinois (maintaining our roads)...?*

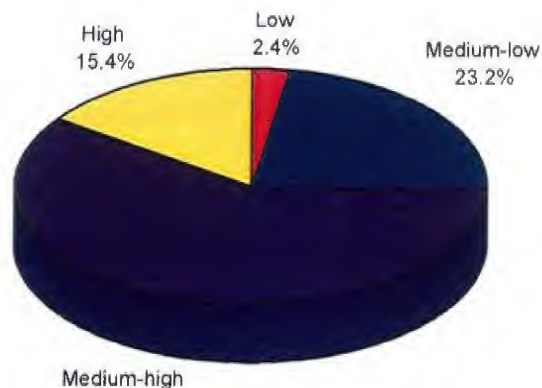
**Rankings of Transportation Services**



"Removing snow" rated highest among the transportation services, with 80.6 percent of the public giving Illinois a **good** or **excellent** rating. Less than 50 percent of respondents gave a **good** or **excellent** rating to "keeping up on repairs" and to the "overall condition of roads and highways" in Illinois.

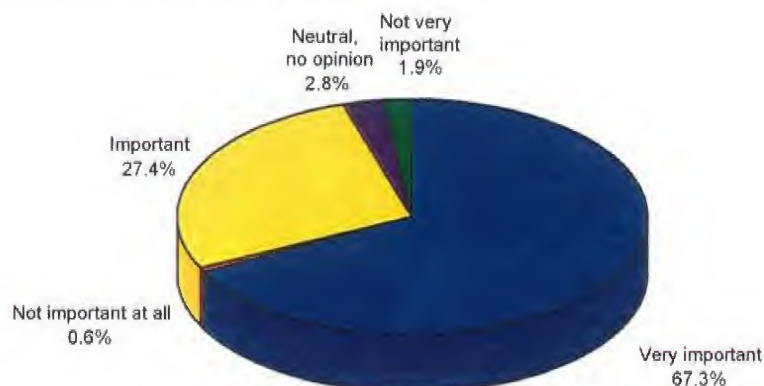
### Summary Performance Evaluation for Transportation

The Summary Performance Evaluation for transportation was calculated as the average of the responses to the above questions. Nearly three-fourths of respondents gave **medium-high** or **high** ratings to transportation.



## SURVEY OF CITIZEN SATISFACTION: ECONOMIC DEVELOPMENT

*Economic development includes supporting existing businesses and promoting new businesses in Illinois. How important do you think this is for the people of Illinois?*



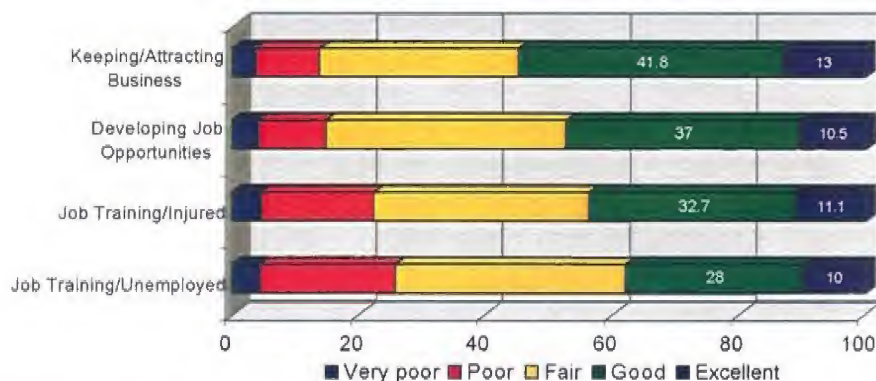
Approximately 95 percent of respondents said that economic development is **important** or **very important** for Illinois.

### Citizens' Ratings of Economic Development Services

*How good a job do you think we are doing in Illinois...?*

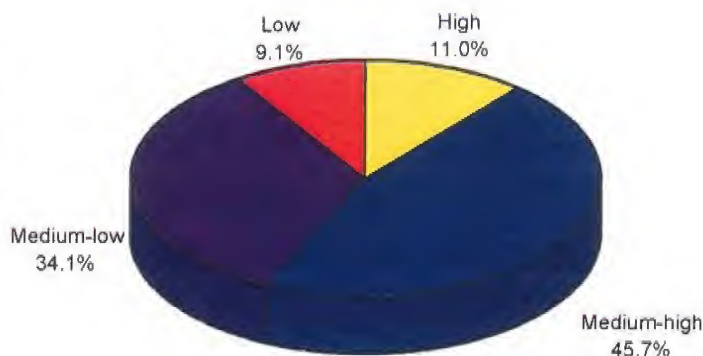
The public ranks "supporting and attracting businesses" the highest among the economic development items, with 54.8 percent of respondents stating we are doing either a **good** or **excellent** job. However, less than 50 percent thought we did a good or excellent job in "developing job opportunities for our people." The lowest ranking service, "providing job training for the unemployed," was rated as **good** or **excellent** by only 38 percent.

**Rankings of Economic Development Services**



### Summary Performance Evaluation for Economic Development

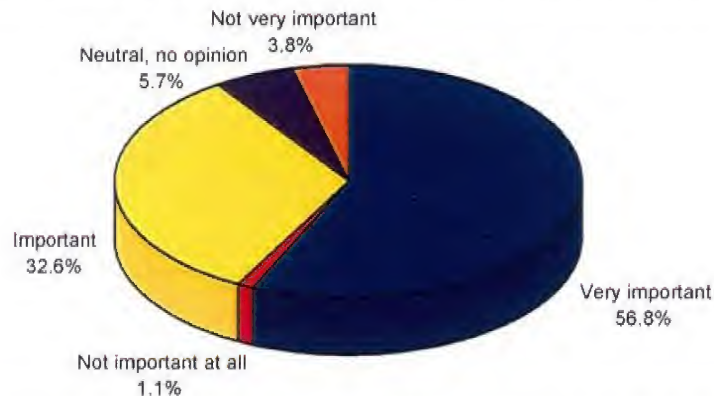
The Summary Performance Evaluation for economic development was calculated as the average of the responses to the above questions. Over 56.7 percent of respondents gave **medium-high** or **high** ratings to Illinois' efforts in economic development.





## SURVEY OF CITIZEN SATISFACTION: ENVIRONMENT AND NATURAL RESOURCES

*How important do you think regulating business in order to protect the environment is for Illinois?*



Over 89 percent of respondents stated regulating business for the purpose of protecting the environment is **important** or **very important** for Illinois.

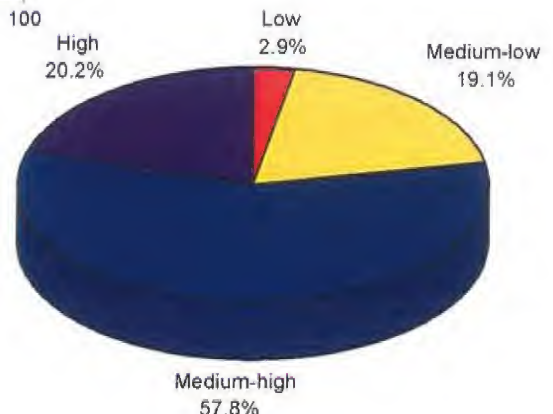
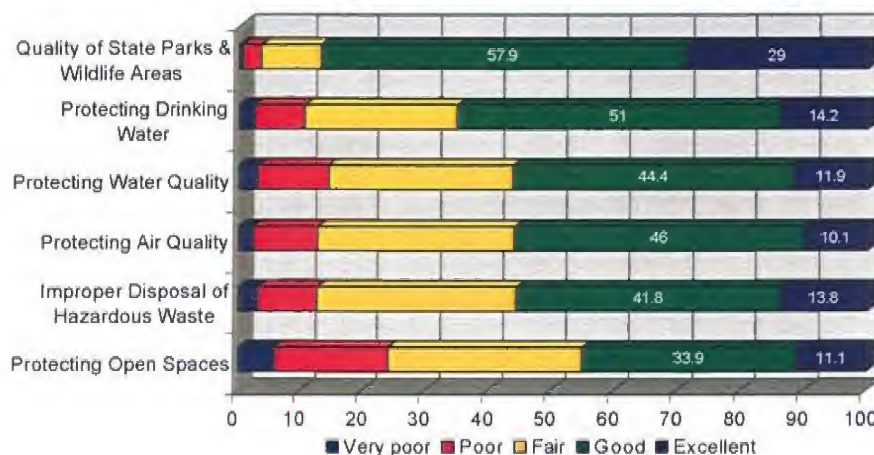
### Citizens' Ratings of Services in Protection of the Environment and Natural Resources

*How would you rate the quality of our state parks and wildlife areas?*

*How good a job do you think we are doing in Illinois...?*

The quality of state parks and wildlife areas is rated as **good** or **excellent** by 86.9 percent of the respondents. Nearly two-thirds of respondents thought Illinois' performance at "protecting drinking water" deserves an above average rating. Ranking lowest is Illinois' performance in "protecting open spaces," which is rated **good** or **excellent** by less than 50 percent of the population.

**Ranking Our Protection of the Environment and Natural Resources**



### Summary Performance Evaluation for the Environment and Natural Resources

The Summary Performance Evaluation for environmental protection was calculated as the average of the responses to the above questions. 78 percent of respondents gave **medium-high** or **high** ratings to protecting the environment.



## SURVEY OF CITIZEN SATISFACTION: GOVERNMENT SERVICES

*Thinking about the last time you filed state income tax, did you find the instruction booklet published by the Illinois Department of Revenue to be very easy to use, somewhat easy to use, somewhat difficult or very difficult?*

*How easy did you find the Illinois tax form to fill out?*

Respondents rated the state income tax instruction booklet and the state income tax form for ease of use. A relatively high proportion of respondents would not give ratings to the income tax questions as shown below.

	Very Difficult	Somewhat Difficult	Neutral	Easy	Very Easy	Don't Know, Have Never Filed, Won't Say
State Income Tax Booklet	4.8%	8.8%	3.9%	31.7%	24.5%	26.4%
State Income Tax Form	2.3%	10.0%	3.4%	30.7%	24.8%	28.9%

When asked whether the state income tax booklet was easy to use, 56.2 percent of the respondents stated it was either **very easy** or **easy**. Over one-fourth stated they either had never filed or did not know. Respondents were also asked to rate how easy the Illinois State income tax form was to fill out. On this question 55.5 percent of the entire sample of respondents said it was either **very easy** or **easy**.

*How successful do you think advertisements for state lottery tickets are in generating revenue for Illinois by promoting sales in tickets?*

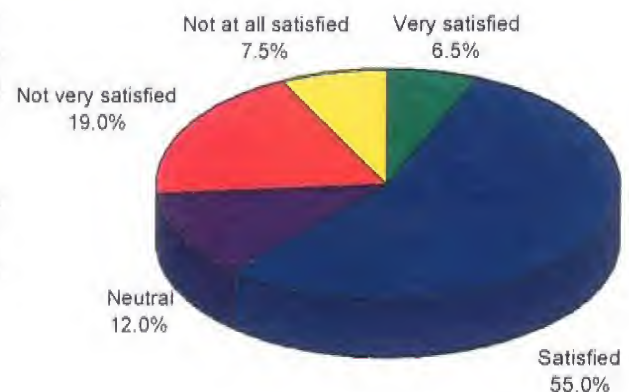
*How successful do you think the state lottery games have been in terms of being interesting and appealing enough to promote sales and generate revenue for the state?*

	Not At All Successful	Not Very Successful	Neutral	Somewhat Successful	Very Successful
Lottery Advertisements	0.04	0.056	0.044	0.262	0.598 N=735
Lottery Games	0.033	0.052	0.064	0.318	0.533 N=717

The large majority of respondents (86 percent) who rated the success of the lottery advertisements said the advertisements were either **somewhat successful** or **very successful** in generating revenue for Illinois. A similar majority of respondents (85.1 percent) rating the games said they were either **somewhat successful** or **very successful**.

*I'd like to start out by asking how satisfied you are with the way things are going with state government in Illinois. Are you satisfied, somewhat satisfied, not very satisfied, or not at all satisfied?*

The first question interviewers asked respondents was about their general satisfaction with state government. The majority of respondents stated that were either **satisfied** or **very satisfied** with state government.



## SURVEY OF CITIZEN SATISFACTION: REGIONAL DIFFERENCES

The current study did not reveal many differences among the geographical areas of Illinois. This could be because the size of the regional samples, with about 134 in each region, was inadequate to detect real differences. There do appear to be some differences in what people in the different regions consider to be the most important problem. In addition, there are differences in performance ratings for education.

### *What is the most important problem facing Illinois today?*

There are some differences in how residents from different parts of Illinois perceive the state's most important problem. Although education topped the list in all areas, residents of Northern Illinois (outside of Cook and the Collar Counties) are most concerned about education, with 43 percent citing it. Central Illinois and Cook County outside of Chicago were similar, with over one-third of the respondents in each area expressing concern about education. In Chicago, nearly as many people were concerned about crime as about education.

Illinois' Regions Differ Slightly on the Most Important Issue Facing the State						
	Education	Crime	Taxes	Government	Roads	Other
State	30.6%	13.1%	11.1%	9.3%	6.0%	29.9%
Chicago	23.1%	22.3%	3.9%	8.6%	5.5%	36.6%
Balance of Cook	35.8%	10.8%	13.9%	11.1%	4.2%	24.3%
Collar Counties	28.2%	13.3%	11.7%	14.1%	8.5%	24.2%
Other Northern	43.2%	3.5%	15.1%	5.6%	9.1%	23.5%
Central	35.7%	11.1%	13.6%	3.2%	4.0%	32.4%
Southern	23.7%	8.0%	13.5%	8.4%	5.1%	41.4%

### Regional Ratings of Educational Services

Respondents in the Southern counties were more likely to give above average marks to education, as can be seen from the table below.

Rating Education: Regional Differences				
	Low	Medium-Low	Medium-High	High
Chicago	13.16	40.01	39.46	7.37
Suburban Cook	6.74	41.9	37.24	14.13
Collar Counties	4.85	27.62	55.43	12.1
Other Northern	5.18	33.94	46.21	14.68
Central	3.61	28.28	59.86	8.25
Southern	5.55	33.05	44.39	17.01



## **SURVEY OF CITIZEN SATISFACTION: ISSUES ADDRESSED IN QUESTIONNAIRE**

---

### **Education**

- Importance of public education
- Overall quality of public schools
- Teaching students to read
- Teaching math and science
- Preparing students for High School
- Preparing students for college
- Preparing students for the workplace (through 12th grade)
- Importance of higher education
- Preparing students for the workplace (higher education)

### **Human Services**

- Importance of public health
- Preventing health problems in infants
- Childhood immunizations
- Health promotion for teens
- Helping people overcome alcohol and substance abuse
- Capability to contain an outbreak of communicable disease
- Importance of Medicaid
- Keeping low-income children healthy
- Adequate medical care for low-income elderly
- Community care for the elderly
- Child care services
- Detecting child abuse and neglect
- Securing placement for children in adoptive or foster homes
- Detecting elder abuse
- Care for the mentally ill
- Temporary aid to needy families
- Welfare to work
- Assuring child support payments

### **Public Safety**

- Importance of public safety
- Security of correctional facilities
- Rehabilitating juveniles
- Rehabilitating in boot camps
- Preparing inmates for life after prison
- Preventing car accidents

- Preventing speeding
- Preventing drinking and driving
- Preventing crime
- Detecting and investigating crime
- Keeping guns out of the hands of criminals

### **Environment and Business Regulation**

- Importance of regulation
- Reducing pollution
- Protecting air quality
- Protecting lakes and rivers
- Protecting drinking water
- State parks and wildlife areas
- Protecting open spaces

### **Economic Development and Infrastructure**

- Importance of economic development
- Supporting and attracting businesses
- Developing job opportunities
- Job training for the unemployed
- Vocational rehabilitation
- Importance of road construction and repair
- Overall condition of roads
- Repairs on roads and bridges
- Removing snow
- Building and expanding highways
- Providing public transportation
- Overall rating for transportation

### **Government Services**

- State income tax instruction book
- State income tax form
- Success of lottery ads
- Success of lottery games



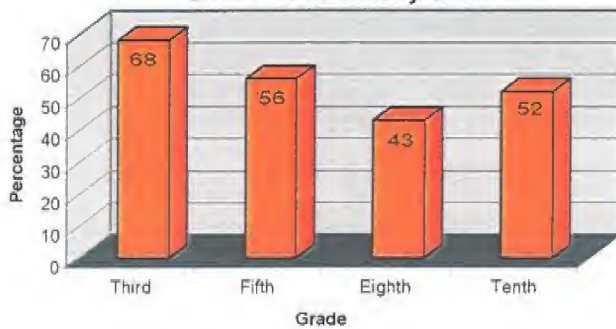
## EDUCATION

### Inputs

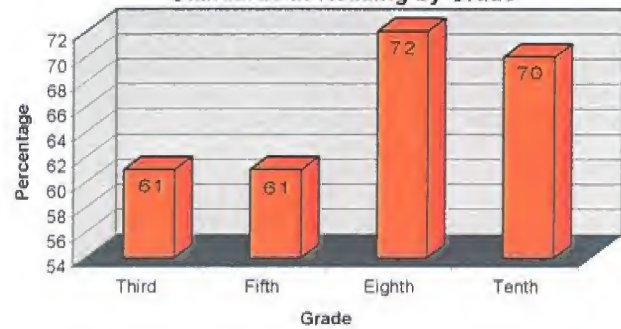
Agency	FY1998 Expenditures	FY1999 Expenditures	% Change
Elementary & Secondary	\$ 5,288,719,384.52	\$ 5,803,406,361.14	9.7%
Board of Higher Education	81,563,274.83	95,073,549.97	16.6%
Chicago State University	34,105,265.21	36,990,598.99	8.5%
Eastern Illinois University	41,870,385.97	45,987,482.07	9.8%
Governors State University	22,721,692.76	23,890,897.76	5.1%
Illinois Community College Board	284,526,016.02	304,974,150.98	7.2%
Illinois Math & Science Academy	14,289,845.91	15,735,632.37	10.1%
Illinois State University	75,799,126.36	81,022,202.19	6.9%
Illinois Student Assistance Commission	483,287,253.72	552,553,888.01	14.3%
Northeastern Illinois University	36,079,025.12	39,171,277.75	8.6%
Northern Illinois University	97,403,600.00	101,100,744.31	3.8%
Southern Illinois University	199,595,246.98	210,898,448.34	5.7%
State University Civil Service Merit Board	1,124,794.03	1,002,358.21	-10.9%
University of Illinois	659,160,526.69	686,348,979.28	4.1%
Western Illinois University	52,442,337.49	55,108,212.03	5.1%
<b>Total:</b>	<b>\$ 7,372,687,775.61</b>	<b>\$ 8,053,264,783.40</b>	

### Outcomes

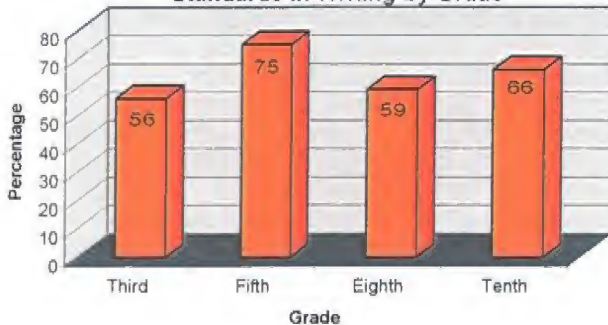
Percentage of Students Meeting or Exceeding State Standards in Math by Grade



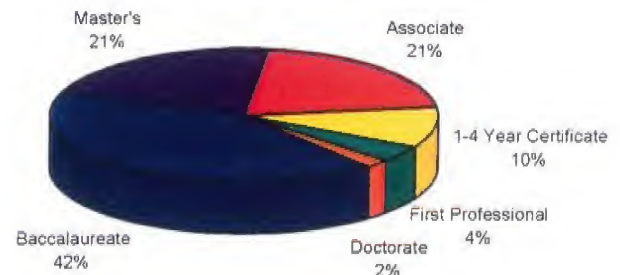
Percentage of Students Meeting or Exceeding State Standards in Reading by Grade



Percentage of Students Meeting or Exceeding State Standards in Writing by Grade



Fiscal Year 1998 Degrees Conferred at Illinois Colleges and Universities





## EDUCATION: ELEMENTARY AND SECONDARY EDUCATION

---

### *Mission and Organization*

In Illinois, the State Board of Education is charged with setting the guidelines for achieving academic success in public elementary and secondary classrooms. Numerous factors play a role in the ultimate goal of enabling children to achieve their fullest potential within the public education setting in Illinois. A review of many of these factors, be they inputs such as monetary and human resources, outputs such as dropout and attendance rates or outcomes such as test scores, may provide insight into the successes and failures of the public education delivery system.

### *Discussion of Indicators*

The supply of basic resources (inputs) infused into the delivery system for public education include funding, student enrollment, school districts and the number of schools within districts, and human resources such as administrators and teachers.

Certainly the most basic of resources is funding which totaled \$15.559 billion from all sources for the school year 1998-99, an increase of \$1.240 billion or 8.7 percent over the prior year. This level of funding supports an education system inhabited by 1,962,026 students, an increase of 10,028 or 0.5 percent over the 1997-98 school year. Guidance for the nearly two million public school students in Illinois is provided by 7,537 administrators and 119,718 teachers throughout the 895 school districts with 3,879 schools.

Examples of outputs of the elementary and secondary education system include dropout rates, student attendance, chronic truancy, and graduation rates. The graduation rate of 81.9 percent is slightly above the 81.8 percent rate for the prior year. Both the dropout (from 6.2 percent to 5.9 percent) and attendance rates (from 93.9 percent to 93.6 percent) have declined while the chronic truancy rate remains unchanged at 2.3 percent.

Despite the substantial amount of resources dedicated to public education few indicators as to the impact (outcome) of this investment exist. Obviously, the most important outcome to measure would be the academic and social achievement levels of students - how

well has the educational system prepared students and how competitive are their achievement levels with other students. For the 1998-99 school year, student assessment in reading, writing and math was measured using the ISAT (Illinois Standards Achievement Test) test. The ISAT data are only available for one year as this test replaced the previously administered IGAP (Illinois Goals Assessment Program) test. ISAT reading tests showed that according to the new state standards 61 percent of third and fifth grade students along with 72 percent of eighth grade students and 70 percent of tenth grade students met or exceeded state standards. For math, 68 percent of third graders, 56 percent of fifth graders, 43 percent of eighth graders, and 52 percent of tenth graders met or exceeded state standards. In writing, 56 percent of third graders, 75 percent of fifth graders, 59 percent of eighth graders, and 66 percent of tenth graders met or exceeded standards.

Examples of efficiency measures for elementary and secondary education include instructional expenditures per pupil and operating expenditures per pupil. For the 1998-99 school year, an average of \$3,990 was expended for each student in Illinois on instruction while an average of \$6,682 was spent per pupil for operating expenditures. Average instructional expenditures per pupil were up \$243 or 6.5 percent while operating expenditures per student increased \$401 or 6.4 percent.

In addition to a comprehensive view of some of the performance indicators for elementary and secondary education, the Early Childhood and Reading Improvement Programs were analyzed. Sub-functions of the Early Childhood Program include Pre-Kindergarten, Parental Training, and Prevention Initiatives.

Expenditures for the pre-kindergarten sub-function were \$123.4 million in the 1997-98 school year, an increase of \$11.2 million or 10.0 percent. The number of students served by the program was 47,162 compared to 45,614 the prior year. One output identified for the program was that the teacher rated 90.0 percent of the children who participated as kindergarten ready compared to 81.0 percent for the prior year. As far as outcome indicators are concerned, 68.0 percent of students served by the program met or exceeded state goals for reading and 92.0 percent met or exceeded

---

state goals for math in third grade. An average of \$2,691 was spent per child for the 1997-98 school year compared to \$2,460 the prior year.

For parental training, \$5.9 million was expended in the 1997-98 school year, an increase of \$2.0 million or 51.3 percent. There were 139 programs funded in 1997-98 with 283 personnel paid by the grant money compared to 91 programs and 274 personnel paid the prior year. A total of 34,948 parents received direct services through 13,406.6 hours of instruction. On average, \$169 per parent was spent for direct services compared to \$158 the year before.

The Prevention Initiative Program had spending of \$4.3 million (an increase of \$2.3 million or 115.0%) to fund 31 programs. The number of children and family enrolled in 1997-98 totaled 2,184 and 1,840 respec-

tively while the number of non-enrolled families receiving services totaled 3,438. One outcome of the program is 126 parents acquired a high school diploma of GED in the 1997-98 school year compared to 75 the previous year. The program expended \$2,337 per family enrolled and \$1,969 per child enrolled for the most recent year data was available.

For the Reading Improvement Program \$47.4 million was spent, \$2.0 million or 4.4 percent more than the prior year. 566,815 students from 793 school districts received reading services from this program. Of the students who utilized this program, 72.0 percent met or exceeded state goals for reading and 87.0 percent met or exceeded state goals for writing in third grade. The average expenditure for each child in the program was \$84 in school year 1997-98, \$3 more than the prior year.



## Comprehensive

**Mission Statement** To enable all Illinois students to become confident, self-sufficient and productive citizens. Establish policies that systematically support an everchanging, lifelong learning process. Furthermore, to act as an advocate, provider, and broker of community, family and state resources and services that ensure the accomplishment of the State's Goals for Learning.

**Program Goals**

- 1) Implement and institutionalize the Illinois Learning Standards as the foundation for educational excellence
- 2) Implement and improve the state's accountability systems.
- 3) Restructure the professional development system for Illinois educators.
- 4) Advocate school funding reform to ensure that all Illinois schools have the resources necessary to prepare students to meet the Learning Standards.
- 5) Ensure that every Illinois student reads with understanding and proficiency.
- 6) Support early childhood education so that all children develop a strong foundation for learning.
- 7) Ensure that all students at risk of academic failure are able to meet the Learning Standards.
- 8) Integrate learning technologies into the teaching/learning process in all Illinois Schools.
- 9) Ensure that school infrastructure and the learning environment are safe and supportive of student learning
- 10) Implement the Education-to-Careers system as an integral part of educational reform and school improvement.
- 11) Develop linkages with higher education to create an integrated system of educational opportunities.
- 12) Explore the educational implications of the changing world, with particular attention to future learning environments.

	<i>Fiscal Year 1998 Actual</i>	<i>Fiscal Year 1999 Target</i>	<i>Fiscal Year 1999 Actual</i>
<b><u>Outcome Indicators</u></b>			
ACT Average Score (state public schools with Report Card Information)	21.5	21.0	21.5
Percent of students meeting or exceeding state goals for math on ISAT, 3rd grade	N/A	N/A	68.0 %
Percent of students meeting or exceeding state goals for math on ISAT, 5th grade	N/A	N/A	56.0 %
Percent of students meeting or exceeding state goals for math on ISAT, 8th grade	N/A	N/A	43.0 %
Percent of students meeting or exceeding state goals for math on ISAT, 10th grade	N/A	N/A	52.0 %
Percent of students meeting or exceeding state goals for reading on ISAT, 3rd grade	N/A	N/A	61.0 %
Percent of students meeting or exceeding state goals for reading on ISAT, 5th grade	N/A	N/A	61.0 %
Percent of students meeting or exceeding state goals for reading on ISAT, 8th grade	N/A	N/A	72.0 %
Percent of students meeting or exceeding state goals for reading on ISAT, 10th grade	N/A	N/A	70.0 %
Percent of students meeting or exceeding state goals for writing on ISAT, 3rd grade	N/A	N/A	56.0 %
Percent of students meeting or exceeding state goals for writing on ISAT, 5th grade	N/A	N/A	75.0 %
Percent of students meeting or exceeding state goals for writing on ISAT, 8th grade	N/A	N/A	59.0 %
Percent of students meeting or exceeding state goals for writing on ISAT, 10th grade	N/A	N/A	66.0 %
<b><u>Output Indicators</u></b>			
Graduation Rate	81.8 %	N/A	81.9 %
Dropout Rate	6.2 %	N/A	5.9 %
Attendance Rate	93.9 %	N/A	93.6 %
Chronic Truancy Rate	2.3 %	N/A	2.3 %
<b><u>Efficiency/Cost-Effectiveness</u></b>			
Instructional Expenditure per Pupil	\$3,747	N/A	\$3,990
Operating Expenditure per Pupil	\$6,281	N/A	\$6,682
<b><u>Input Indicators</u></b>			
Education Revenues - State (millions)	\$4,849.3	N/A	\$5,654.4
Education Revenues - Local (millions)	\$8,052.0	N/A	\$8,470.1
Education Revenues - Federal (millions)	\$1,417.9	N/A	\$1,434.3
Total Number of Districts	898	N/A	895
Number of Public Schools	3,864	N/A	3,879
Public School Enrollment	1,951,998	N/A	1,962,026
Public School Teachers	116,574	N/A	119,718
Public School Administrators	7,339	N/A	7,537
Low Income Enrollment	36.3 %	N/A	36.1 %
Limited English Proficient Enrollment	6.3 %	N/A	6.4 %
Mobility Rate	18.2 %	N/A	18.1 %

**Explanatory Information**

N/A: There is no way to determine a target for some items. The total number of schools, for example, should be the number that offers high quality instruction to students, and supported by local communities.

Target is national average of composite score.

School Administrators - Numbers from teachers service analysis includes assistant principals and above.

The ISAT was not available in 1998.

### Reading Improvement

**Mission Statement** Ensure that every Illinois student reads with understanding and proficiency.

**Program Goals** A significant annual increase in the percentage of students in Grades 3, 5, 8, and 10 who will meet or exceed state standards in reading so that by 2005, 80% of all students will meet and exceed state standards for reading.

	<i>Fiscal Year 1997 Actual</i>	<i>Fiscal Year 1998 Target</i>	<i>Fiscal Year 1998 Actual</i>
<b><u>Outcome Indicators</u></b>			
Percent of students meeting or exceeding state goals for learning for Reading, Grade 3	72.0 %	N/A	72.0 %
Percent of students meeting or exceeding state goals for learning for Reading, Grade 6	63.0 %	N/A	70.0 %
Percent of students meeting or exceeding state goals for learning for Writing, Grade 3	86.0 %	N/A	87.0 %
Percent of students meeting or exceeding state goals for learning for Writing, Grade 6	93.0 %	N/A	94.0 %
<b><u>Output Indicators</u></b>			
Number of teachers affected	575	N/A	600
<b><u>Efficiency/Cost-Effectiveness</u></b>			
Dollars per teacher affected	\$78,957	N/A	\$79,000
Dollars per student receiving service	\$81	N/A	\$84
<b><u>Input Indicators</u></b>			
Funds Expended (millions)	\$45.4	N/A	\$47.4
Number of grants to school districts	797	N/A	793
Number of students receiving services	560,504	N/A	566,815

### **Explanatory Information**

Beginning in fiscal year 2001, districts receiving this grant will have to report evidence of student growth in reading. Thus, one indicator will be the percent of districts verifying achievement growth for students.

### Early Childhood/Pre-Kindergarten

**Mission Statement** Support Early Childhood Education so that all children develop a strong foundation for learning.

**Program Goals** Build a system that enables all children to achieve Illinois Learning Standards by Grade 3.

	<i>Fiscal Year 1997 Actual</i>	<i>Fiscal Year 1998 Target</i>	<i>Fiscal Year 1998 Actual</i>
<b><u>Outcome Indicators</u></b>			
Percent of students served by program who meet or exceed state goals for Mathematics in Grade 3*	89.0 %	95.0 %	92.0 %
Percent of students served by program who meet or exceed state goals for Mathematics in Grade 6*	83.0 %	93.0 %	87.0 %
Percent of students served by program who meet or exceed state goals for Mathematics in Grade 8*	79.0 %	92.0 %	79.0 %
Percent of students served by program who meet or exceed state goals for Reading in Grade 3*	63.0 %	79.0 %	68.0 %
Percent of students served who meet or exceed state goals for Reading in Grade 6*	53.0 %	77.0 %	67.0 %
Percent of students served by program who meet or exceed state goals for Reading in Grade 8*	48.0 %	75.0 %	62.0 %
<b><u>Output Indicators</u></b>			
Teacher rating of children who participated as average or above for kindergarten readiness	81.0 %	N/A	90.0 %
<b><u>Efficiency/Cost-Effectiveness</u></b>			
Average amount spent per child	\$2,460	N/A	\$2,691
<b><u>Input Indicators</u></b>			
Funds Expended (millions)	\$112.2	N/A	\$123.4
Number of children served	45,614	N/A	47,162
Adult to child (teacher and aide) ratio	7.9	N/A	8.2

### **Explanatory Information**

Numbers for the Adult to child ratio input indicator indicate a 1 to 7.9 ratio for fiscal year 1997 and a 1 to 8.2 ratio for fiscal year 1998.

NA: There is no way to determine a target for some items. For example, the program should serve all children who qualify for the program and need the program.

\* Information is for downstate only; Chicago data are not available for fiscal year 1998. Targets are set by entire state percent who meet or exceed state goals. Data are from follow-up reports tracking a sample of students.



**Early Childhood/Parental Training****Mission Statement** Support Early Childhood Education so that all children develop a strong foundation for learning.**Program Goals** Build a system that enables all children to achieve Illinois Learning Standards by Grade 3.

	<i>Fiscal Year 1997 Actual</i>	<i>Fiscal Year 1998 Target</i>	<i>Fiscal Year 1998 Actual</i>
<b><u>Outcome Indicators</u></b>			
Parents enrolled in an educational program or job training program	1,243	N/A	979
<b><u>Output Indicators</u></b>			
Parents receiving direct services	24,715	N/A	34,948
Hours of instruction	12,259.4	N/A	13,406.6
Parent-child teams receiving services in workshops	12,285	N/A	14,896
<b><u>Efficiency/Cost-Effectiveness</u></b>			
Dollars per parent for direct services	\$158	N/A	\$169
<b><u>Input Indicators</u></b>			
Funds Expended (millions)	\$3.9	N/A	\$5.9
Programs funded	91	N/A	139
Total personnel paid by grant	274	N/A	283

**Early Childhood/Prevention Initiative****Mission Statement** Support Early Childhood Education so that all children develop a strong foundation for learning.**Program Goals** Build a system that enables all children to achieve Illinois Learning Standards by Grade 3.

	<i>Fiscal Year 1997 Actual</i>	<i>Fiscal Year 1998 Target</i>	<i>Fiscal Year 1998 Actual</i>
<b><u>Outcome Indicators</u></b>			
Number of parents enrolled in high school, GED class, or college	211	N/A	318
Number of parents who have acquired a high school diploma or GED	75	N/A	126
<b><u>Output Indicators</u></b>			
Children enrolled	1,361	N/A	2,184
Families enrolled	1,052	N/A	1,840
Non-enrolled families receiving services	2,418	N/A	3,438
<b><u>Efficiency/Cost-Effectiveness</u></b>			
Expenditures per family enrolled	\$1,901	N/A	\$2,337
Expenditures per child enrolled	\$1,470	N/A	\$1,969
<b><u>Input Indicators</u></b>			
Funds Expended (millions)	\$2.0	N/A	\$4.3
Programs Funded	16	N/A	31



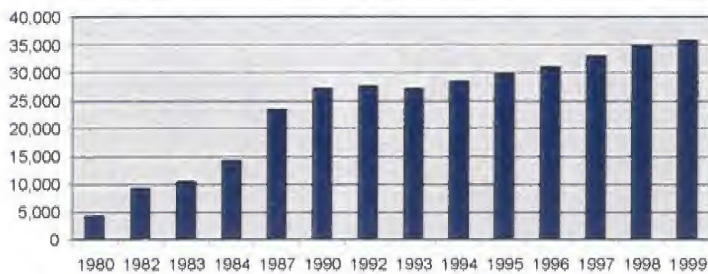
# HUMAN SERVICES

## Inputs

Agency	FY1998 Expenditures	FY1999 Expenditures	% Change
Department on Aging	\$ 215,028,318.69	\$ 236,281,462.99	9.9%
Department of Children & Family Services	1,300,315,063.13	1,345,548,813.41	3.5%
Comprehensive Health Insurance Plan	18,282,175.97	16,411,166.29	-10.2%
Guardianship & Advocacy Commission	6,506,075.36	7,234,039.57	11.2%
Department of Human Services	4,538,403,494.54	4,614,336,427.86	1.7%
IL Deaf & Hard of Hearing Commission	108,333.40	299,855.95	176.8%
IL Health Care Cost Containment Council	1,253,859.00	1,205,980.99	-3.8%
IL Planning Council on Develop. Disabilities	2,451,023.34	2,669,472.66	8.9%
Department of Public Aid	5,664,316,301.12	6,069,226,288.73	7.1%
Department of Public Health	161,347,406.25	169,569,318.11	5.1%
Department of Veterans' Affairs	56,783,350.99	59,100,781.84	4.1%
<b>Total:</b>	<b>\$ 11,964,795,401.79</b>	<b>\$ 12,521,883,608.40</b>	

## Outcomes

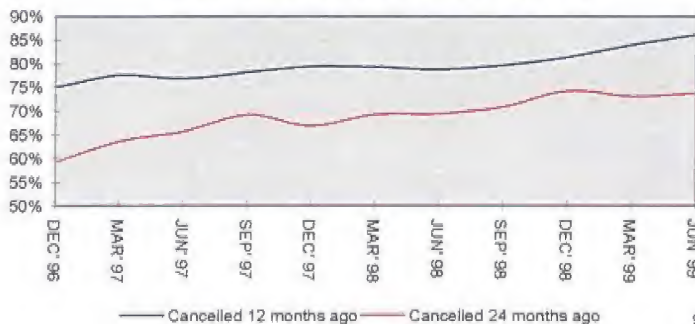
Aging: Community Care Program Average Monthly Caseload



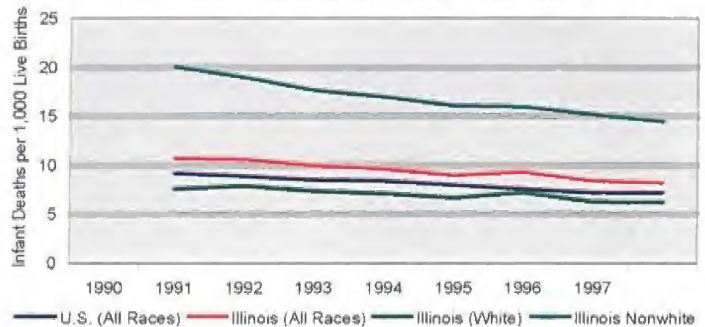
DCFS: Number of Child Abuse or Neglect Reports



Human Services: TANF Families Not Returning to Assistance After Cancellation Due to Employment



Public Health: Illinois Infant Mortality: 1990-1997 by Race





## HUMAN SERVICES: DEPARTMENT ON AGING

---

### *Mission and Organization*

The Community Care Program (CCP), which was established in 1979, provides in-home and community-based care to at-risk seniors. The CCP's mission is to prevent premature and unnecessary institutionalization of older adults in Illinois. This is accomplished through the delivery of Homemaker Services, Adult Day Services, Senior Companion Services, and numerous demonstration project services designed to maintain the independence of the older adult. Choices for Care, which is a component of the Community Care Program, is a statewide, universal pre-admission screening program. This program is specifically designed to help individuals 60 or older make informed choices about their need for care before entering a nursing home.

The CCP had expenditures of \$164,097,982 in fiscal year 1999, which is roughly two-thirds of the Department on Aging's total budget. The Division of Long Term Care, which administers and manages the CCP, consists of 24 individuals. However, there are a number of other Department personnel who support the CCP, but are classified in other divisions. On average, 84 percent of the CCP budget is allocated to Homemaker Services, 6 percent to Adult Day Services, and 10 percent to Case Coordination Units.

### *Discussion of Indicators*

#### Outcome Indicators

The Department on Aging's screening program is administered via contracts with a network of 46 Case Coordination Units throughout Illinois. Case managers conduct the assessments and serve as a single point of entry for aging services. In addition, the Choices for Care Program seeks to inform individuals and their families of subsidized and private pay community care options that are available in lieu of nursing home services.

In the screening process, the Department has the option to conduct face-to-face or non-face-to-face screens. Even though face-to-face screens are more difficult to conduct for case managers, the client is far better served with having one-on-one interaction. Therefore, the CCP has established a target goal of 95 percent of

all screens be face-to-face, a goal which has been reached in fiscal year 1998 and fiscal year 1999. With the implementation of Choices for Care, the number of screenings conducted annually by the Department has more than tripled between fiscal year 1996 and fiscal year 1999.

The number of individuals deflected into Interim Service is a reflection of the difficult pressures that are placed on case managers to coordinate services to high-risk clients in a very limited amount of time. Some individuals that apply for community-based services are at imminent risk of nursing home or hospital placement. Imminent risk is defined as the likelihood of placement in a nursing facility or hospital within 72 hours. Case managers are responsible for coordinating/implementing services within this 72-hour window, and then must determine eligibility within 15 days following the provision of interim services.

To ensure that the CCP serves as an option to long-term care nursing home placement, the Department strives to maintain the ratio between the CCP caseload vs. the nursing facility caseload at a minimum of 33 percent. In addition, the Department tracks the relationship between the CCP caseload and the 85 plus population in Illinois. Individuals 85 and over constitute the majority of a geriatric nursing facility caseload, and are the fastest growing age segment in Illinois and the U.S.

#### Output Indicators

The total number of individuals served in the CCP increased from 417,418 in fiscal year 1998 to 429,635 in fiscal year 1999. The number of assessments and deinstitutionalizations conducted by case managers increased as well. Deinstitutionalization refers to the assessment process and the return of an individual to the community following institutionalization for more than 60 calendar days. The CCP tracks the number of units provided by Homemaker, Adult Day Service, and Case Coordination Units, which all increased over fiscal year 1998. Collectively, the CCP produced 17,211,044.9 units in fiscal year 1999. A unit is defined as 1 hour of service.

#### Efficiency Indicators

As mentioned before, the goal of the CCP is to prevent premature and unnecessary institutionalization of older adults in Illinois. Every client in the CCP represents a



---

person who is being deflected from unnecessary nursing home placement. The CCP average monthly caseload increased from 34,785 in fiscal year 1998 to 35,803 in fiscal year 1999. The CCP average monthly cost of care increased from \$349.45 in fiscal year 1998 to \$381.95 in fiscal year 1999. This increase in cost was due to a 9.4 percent homemaker rate increase and other cost of living adjustments effective July 1, 1998.

To determine the cost effectiveness of the CCP, the Department compares the cost of serving a client in the CCP vs. a nursing home. In fiscal year 1999, the average monthly cost of a Medicaid nursing home was \$1,814.40. The cost difference between a client in a nursing home vs. a client in the CCP is multiplied by the average CCP monthly caseload. In fiscal year 1999, the Department estimates Federal/State savings at \$51.3 million per month.

#### **External Benchmarks**

New to the SEA reporting process is the evaluation of External Benchmarks. The inclusion of external benchmarks has helped put into context some of the strengths and weaknesses of the CCP. The average monthly cost of the CCP is lower than the average cost of community-based services of other states. In addition, the CCP caseload has a higher ratio to nursing home caseloads when compared to the average of other states.

However, similar to benchmarking initiatives conducted by the private sector, there was some difficulty in obtaining comparable data that could be used for

analysis. The primary difficulty was addressing the diversity of long-term care services across the country. Budget and programmatic issues arose in terms of: 1) states classifying/offering different types of services, 2) states serving a wide spectrum of needs/clientele, and 3) states indicating that they have no formal system to report or gather data. A secondary problem arose in gathering current data that coincides with the SEA Report. Unfortunately, obtaining Medicaid nursing home data from other states was limited to resources that sample 1996 and 1997 data.

Despite these difficulties, the Department on Aging was extremely encouraged with its benchmarking efforts and the success of the CCP. The Department supports the inclusion of external benchmarks in future SEA reporting requirements.

#### **Explanatory Indicators**

The Department chose explanatory indicators that provided some context regarding the seniors served in Illinois. Everyone in the CCP is assessed with a Determination of Need Score (DON), which can range from 29 to 110. Roughly 31.5 percent to 33 percent of CCP clients are eligible for Medicaid. In general, Illinois' seniors are at or above national averages in terms of needing services. In Illinois, 29.5 percent of persons (65+) lived alone compared to an average of 28.2 percent for the U.S. The national average for person per thousand with difficulty in mobility or self-care for (65+) is 201.1 for the U.S. and 201.4 for Illinois.



### Homemaker, Adult Day Service, Case Coordination Unit

- Mission Statement** To prevent premature and unnecessary institutionalization of older adults in Illinois. This shall be accomplished through the delivery of homemaker, adult day service, case management, and services made available through special demonstration projects.
- Program Goals**
- 1) To provide community-based service options to vulnerable elderly and to support and promote independence in order for older adults to remain in the community rather than to enter a nursing facility.
  - 2) To maintain a high quality of home and community-based services by assuring implementation of minimum quality standards emphasizing consumer satisfaction, processes and outcomes.

	<i>Fiscal Year 1998 Actual</i>	<i>Fiscal Year 1999 Target</i>	<i>Fiscal Year 1999 Actual</i>
<b>Outcome Indicators</b>			
CCP Caseload vs. 85+ Population	19.1 %	19.1 %	19.2 %
CCP Caseload vs. Nursing Home Caseload	41.1 %	33.0 %	42.3 %
Face-to-Face Screens	97.5 %	95.0 %	97.2 %
Non-Face-to-Face Screens	2.5 %	5.0 %	2.8 %
Number of Clients Deflected into Interim Service	6,612	6,612	6,195
<b>External Benchmarks</b>			
Average Percent of Home & Community Based Services vs. 85+ Population (5 States)	18.6 %	18.6 %	18.6 %
Average Percent of Home & Community Based Services vs. Nursing Home Caseload (5 States)	25.7 %	25.7 %	25.7 %
<b>Output Indicators</b>			
Total Clients Served (duplicated)	417,418.0	439,200.0	429,635.0
Total Assessments Conducted	154,001.0	154,001.0	154,884.0
Number of Deinstitutionalizations Conducted	356.0	356.0	385.0
Homemaker Units (hours)	13,800,683.4	15,207,736.0	14,488,837.4
Adult Day Service Units (hours)	2,034,040.0	2,236,752.0	2,131,016.0
Case Coordination Units (hours)	576,000.0	620,525.0	591,191.5
<b>Efficiency/Cost-Effectiveness</b>			
CCP Average Monthly Caseload	34,785.0	36,600.0	35,803.0
CCP Average Monthly Cost of Care	\$349.5	\$392.2	\$382.0
Average Monthly Cost of Medicaid Nursing Home	\$1,690.0	\$1,814.4	\$1,814.4
Monthly Savings (Federal/State)	\$46.6	\$52.1	\$51.3
Yearly Savings (Federal/State)	\$559.6	\$624.6	\$615.4
<b>Input Indicators</b>			
CCP Actual Expenditures (\$ millions)	\$145.9	\$172.2	\$164.1
Number of CCP Personnel	24.0	24.0	24.0
Homemaker Service (% allocated)	82.4 %	83.7 %	83.7 %
Adult Day Service (% allocated)	6.5 %	6.1 %	6.1 %
Case Coordination Unit (% allocated)	11.2 %	10.2 %	10.2 %

#### Explanatory Information

- 1) IDoA Total Budget: \$215,030,600(fiscal year 1998) \$251,443,010(fiscal year 1999)
- 2) Average DoN Score: 47.25(fiscal year 1998) 47.12(fiscal year 1999)
- 3) Percent of Clients on Medicaid: Range from 31.5% to 33.0%
- 4) Percent of Persons Age 65+ Living Alone: 29.5%(Illinois) 28.2%(U.S.)
- 5) Persons Per Thousand with Difficulty in Mobility of Self Care 65+: 201.4(Illinois) 201.1(U.S.)

Federal and State Savings for Individuals in CCP vs. Nursing Home By Caseload (Millions of Dollars)





## HUMAN SERVICES: DEPARTMENT OF CHILDREN AND FAMILY SERVICES

---

### *Mission and Organization*

The Department of Children and Family Services' mission is to: 1) Protect children who are reported to be abused and neglected and to increase their families' capacity to safely care for them, 2) Provide for the well-being of children in its care, 3) Provide appropriate, permanent families as quickly as possible for those children who cannot safely return home, 4) Support early intervention and child abuse prevention activities, and 5) Work in partnership with communities to fulfill this mission. To achieve this mission the Department utilizes its 4,200 employees and a network of private service providers throughout the state. The primary care management of more than two-thirds of children in foster care and all of the children in residential placements is provided by private agencies.

### *Discussion of Indicators*

In the first part of the 1990's the Department's caseloads and fiscal year budget increased dramatically. Spending increased from \$335 million in fiscal year 1989 to almost \$1.4 billion in fiscal year 1997. This 313 percent increase was almost four times the overall increase in state spending. The rapid growth in expenditures was fueled primarily by increases in the number of children who were wards of the Department. From the 17,619 children in care at the end of fiscal year 1989 the caseload grew to 50,727 at the end of fiscal year 1997, a 288 percent increase. However, a series of reforms was started in fiscal year 1996, and since fiscal year 1997 there has been a dramatic change. Since fiscal year 1997 the Department's spending has remained level and has fallen when accounting for inflation adjustments. More importantly, the number of children in substitute care placements was 25 percent lower at the end of fiscal year 1999 than it was at the end of fiscal year 1997.

#### Protective Services

The Department's protective responsibilities start with calls to the Child Abuse and Neglect Hotline. From its inception in fiscal year 1981 until fiscal year 1997 the number of calls received by the hotline increased every year. The largest increase was the 21 percent jump in fiscal year 1991, following the signing of the B.H. consent decree and the associated publicity about child

abuse and neglect. However, since reaching a peak of 377,467 calls in fiscal year 1995, the number of calls fell by 19 percent, to 304,945 in fiscal year 1999.

The Department has redesigned the tools the hotline uses to determine which reports warrant investigation, and it has also implemented new protocols to determine the risks children face in their home. The result has been a 35 percent decrease in children determined to be abused and neglected in fiscal year 1999 compared to fiscal year 1995, including the 7 percent decrease in fiscal year 1999, and a 52 percent decrease in children taken into custody. This would not be viewed as good news if measures of child safety had declined, but all measures of safety after Department involvement have improved over this period, some by as much as 60 percent.

#### Family Maintenance

Once the Department has investigated a report of abuse or neglect and determined that a threat to a child's health and safety is present, a decision must be made whether it is necessary to take a child into custody or if corrective actions can be taken without removing the child. If a child is not removed, the Department will normally open an intact family case and start providing follow-up and supports. It also tries to guard against keeping family cases open longer than is necessary to resolve the identified abuse and neglect problems.

For fiscal year 1999 the Department set its targets to produce no meaningful change in the intact family caseload. The Department did reduce the number of open intact family cases by 6.6 percent in fiscal year 1999, and it reduced the unduplicated number of cases served by 14.4 percent. However, since fiscal year 1995, the number of intact family cases has been reduced by 37.5 percent. Having achieved such a significant reduction in the caseload, the Department believes the number of cases now open is close to the appropriate level. The major focus at this point is on guarding against keeping cases open too long. In most cases the problems of intact families can and should be resolved in less than 12 months.

Two measures of service quality are also being watched. First, the Department measures the percentage of intact family cases with another substantiated report in the last 12 months. This measures the success

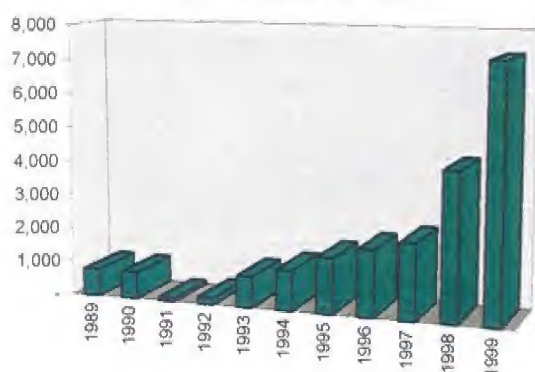


in modifying behavior. That measure was reduced from 12.8 percent to 12.2 percent in fiscal year 1999. Similarly, the Department strives to keep the proportion of cases that remained in an intact status for the entire fiscal year as high as possible. This measures the success of the Department in helping to resolve family issues without resorting to taking children into custody. The Department anticipated that keeping cases open only as long as necessary would result in a small increase in the proportion of children removed, but it was able to maintain 93.3 percent of cases in intact family placements in both fiscal year 1998 and fiscal year 1999.

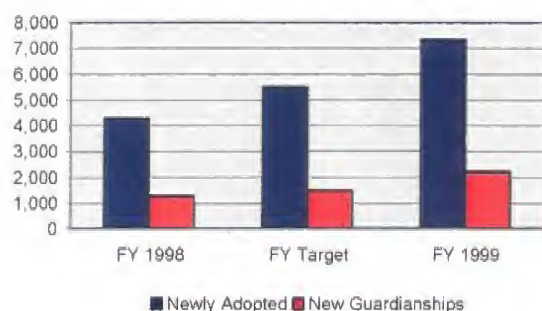
### **Family Reunification and Substitute Care**

In fiscal year 1999 almost 71 percent of the Department's spending was identified as serving the goal of family reunification and substitute care. The Department set a target to decrease the total number of substitute care placements by 7.5 percent to 42,655, but the caseload was actually reduced to 37,910, a 17.8 percent reduction. This was achieved primarily by a sharp increase in the number of children moved to adoption and guardianship. In fiscal year 1998, 5,594 children were moved out of substitute care through these means. In fiscal year 1999, 9,714 children were moved to adoption and guardianship.

**New Finalized Adoptions**



**Adoption and Guardianship**



For fiscal year 1998 Illinois received national recognition for increasing adoptions by more than any other state. The 4,293 children who were adopted represented an increase of 2,064 over fiscal year 1997. The increase for fiscal year 1999 over fiscal year 1998 was 3,022 and the 7,315 adoptions completed is more than had been completed by any state in history. It should also be noted that the state was able to move 2,199 children to subsidized guardianship through a federal waiver. Only Illinois and California have approval to offer this option and receive federal reimbursement. Without this waiver, these children would still be in state custody because neither home return nor adoption were possible.

### **Adoption and Guardianship**

When a child has been adopted from state custody or has been transferred to private guardianship, it represents a successful outcome of substitute care services. Most of the funds expended under adoption and guardianship are used for maintenance payments to families. However, a small but important portion of funds are used to maintain a support system for adoptive and guardianship families and children. These preservation programs recognize that the problems that caused the state to take a child into custody in the first place may not be completely eliminated by providing them with a loving, permanent family relationship. Thus, once guardianship of a child has been transferred, the Department's goal is to minimize the proportion of children whose adoptions or guardianships disrupt, meaning the family returns the child to state custody.

Only 0.3 percent of adoptions disrupted in fiscal year 1998 within the first 12 months after the adoption was finalized, and only 0.4 percent disrupted in fiscal year 1999. The disruption rate for guardianships was 1.0 percent in fiscal year 1998 and 0.9 percent in fiscal year 1999. When viewed in conjunction with the rate at which children are being moved to adoption and guardianship out of substitute care, this measure represents a delicate balancing act for the Department.



### Protective Services

**Mission Statement** Protect children who are reported to be abused or neglected and to increase their families' capacity to safely care for them. To provide for the well-being of children in our care. To provide appropriate, permanent families as quickly as possible for those children who cannot return home. Support early intervention and child abuse prevention activities. Work in partnership with communities to fulfill this mission.

**Program Goals** Reports of abuse/neglect will be investigated promptly, safety insured and subsequent abuse prevented.

	Fiscal Year 1998 Actual	Fiscal Year 1999 Target	Fiscal Year 1999 Actual
<b>Outcome Indicators</b>			
Calls Resulting in a Family Report of Abuse or Neglect	19.4 %	20.0 %	20.6 %
Children Removed per 1,000 state total child population	2.1	N/A	2.0
Indicated Reports <sup>(1)</sup>	20,813	20,050	19,503
Investigations Indicated	31.6 %	31.1 %	31.1 %
<b>External Benchmarks</b>			
National median-children removed per 1,000 state's child population (fiscal year 1996)	N/A	2.4	N/A
<b>Output Indicators</b>			
Hotline Calls <sup>(2)</sup>	339,649	322,000	304,945
Family Reports <sup>(3)</sup>	65,876	64,500	62,704
<b>Efficiency/Cost-Effectiveness</b>			
Investigations per Worker per Month	10.4	10.4	10.2
<b>External Benchmarks</b>			
Savings from being below National Removal Rate (1,247 children) <sup>(4)</sup>	N/A	\$951,523	N/A
<b>Input Indicators</b>			
Budget Expenditures (\$ millions)	\$93.7	\$100.4	\$99.4
Average number of Investigators	541	524	508
<b>Explanatory Information</b>			

<sup>(1)</sup> Indicated reports are those investigations where a Child Protection Investigator determines abuse or neglect did take place.

<sup>(2)</sup> Hotline calls are calls to the Statewide Child Abuse and Neglect Hotline.

<sup>(3)</sup> Reports equal individual case calls that a hotline worker determines merit investigation by a Child Protection Investigator.

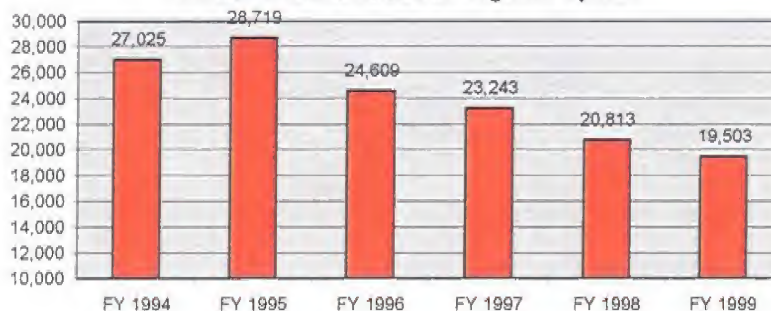
<sup>(4)</sup> Savings determined by the number of children below National Average times monthly cost of service at \$763.05.

No goal is set on Removal Rate. The state seeks to avoid being in the upper quartile (3.7) or lower quartile (1.6).

Statewide Child Abuse and Neglect Hotline Calls



Number of Child Abuse or Neglect Reports



### Family Maintenance

**Mission Statement** Protect children who are reported to be abused or neglected and to increase their families' capacity to safely care for them. To provide for the well-being of children in our care. To provide appropriate, permanent families as quickly as possible for those children who cannot return home. Support early intervention and child abuse prevention activities. Work in partnership with communities to fulfill this mission.

**Program Goals**

- 1) Provide effective in-home services to maintain stable family environments and prevent subsequent abuse.
- 2) Increase the number of intact cases that can be safely closed.
- 3) Increase the number of victims with no further reports of abuse and neglect.
- 4) Improve parenting skills and deter substance abuse.

	<i>Fiscal Year 1998 Actual</i>	<i>Fiscal Year 1999 Target</i>	<i>Fiscal Year 1999 Actual</i>
<b><u>Outcome Indicators</u></b>			
Percent of all children in Intact Placements without an out-of-home placement in the fiscal year	93.3 %	93.0 %	93.3 %
Intact Families Closed	8,234	N/A	6,281
<b><u>Output Indicators</u></b>			
Intact Families Served (Total Unduplicated Annual)	17,980	18,000	15,384
Intact Families Served (End of Year)	9,746	10,000	9,103
Percent served with substantiated reports in the 12 month period	12.8 %	12.0 %	12.2 %
<b><u>Efficiency/Cost-Effectiveness</u></b>			
Intact Family Cases Opened over 12 Months	N/A	1,204	2,130
Families with no Paid Services for at least 12 Months	619	700	435
<b><u>Input Indicators</u></b>			
Budget Expenditures (\$ millions)	\$72.7	\$80.4	\$75.0
<b><u>Explanatory Information</u></b>			

Intact family cases are those where abuse or neglect has been indicated but the children remain in the home. Services are provided to help maintain the family and prevent further occurrences of abuse or neglect.



# Family Reunification and Substitute Care

**Mission Statement** Protect children who are reported to be abused or neglected and to increase their families' capacity to safely care for them. To provide for the well-being of children in our care. To provide appropriate, permanent families as quickly as possible for those children who cannot return home. Support early intervention and child abuse prevention activities. Work in partnership with communities to fulfill this mission.

**Program Goals**

- 1) Children placed outside the home are protected from abuse and neglect.
- 2) Ensure the licensure and regular monitoring of foster parent homes.
- 3) Ensure that caseworkers regularly visit the child in the foster home.
- 4) Conduct background checks on all adults in the home.
- 5) Move children to permanent settings as quickly as it can be done safely and appropriately.

	<i>Fiscal Year 1998 Actual</i>	<i>Fiscal Year 1999 Target</i>	<i>Fiscal Year 1999 Actual</i>
<b><u>Outcome Indicators</u></b>			
Child Cases Closed	11,107.0	12,500.0	13,355.0
Children in Out-of-Home Care per 1,000 state child population	14.5	13.4	11.9
Children Moved from Residential to Less Intensive Settings	2,564.0	2,300.0	2,332.0
Children New Guardianships	1,301.0	1,500.0	2,199.0
Children Newly Adopted	4,293.0	5,500.0	7,315.0
Children Reunified	4,599.0	6,514.0	3,938.0
Children to Adoption or Guardianship per 1,000 in out-of-home care	108.8	151.8	206.4
Residential Out-of-State Population	189.0	150.0	147.0

## **External Benchmarks**

Based on fiscal year 1996 - most recent data available. Children in Out-of-Home Care per 1,000 state child population (average of all states - anticipate increase in subsequent yrs) (fiscal year 1996)	N/A	6.9 %	6.9 %
Goal to reach top 10% of states in adoptions per 1,000 out-of-home	N/A	91.6 %	N/A

## **Output Indicators**

Children with "Return Home" Goal	12,256	N/A	9,859
Children in Regular Foster Care	11,297	11,450	10,350
Children in Relative Care	34,090	21,320	17,739
Children in Residential Placements	2,901	2,700	2,698
Children in Independent Living	1,029	1,035	1,055
Children in Specialized Foster Care	6,768	6,150	6,068

## **Efficiency/Cost-Effectiveness**

Estimated reduction in Substitute Care Expenditures due to movement of children from residential to less intensive settings (\$ millions) <sup>(1)</sup>	\$125.6	\$122.5	\$124.2
Annualized savings from Reunification of Families (\$ millions) <sup>(2)</sup>	\$40.9	\$59.6	\$36.1
Annualized savings from Newly Adopted Children (\$ millions) <sup>(3)</sup>	\$19.1	\$24.9	\$33.1
Annualized savings from New Guardianships (\$ millions) <sup>(4)</sup>	\$5.8	\$6.8	\$9.9

## **External Benchmarks**

Children in Out-of-Home Care per 1,000 state child population (avg. of all states - anticipate increase in subsequent years) (based on fiscal year 1996 data) <sup>(1)</sup> (\$ millions)	N/A	\$184.7	N/A
Estimated savings of children moved to adoption & guardianship (fiscal year 1996 data) (\$ millions)	N/A	\$19.1	N/A

## **Input Indicators**

Budget Expenditures (\$ millions)	\$982.7	\$997.2	\$981.3
-----------------------------------	---------	---------	---------

## **Explanatory Information**

<sup>(1)</sup> Savings assumes difference between average daily rate of \$218.24 for Residential Care and \$72.37 for Specialized Foster Care in FY 2000. \$203.41 and \$69.20 respectively for fiscal year 1999.

<sup>(2)</sup> Savings assume average monthly cost of care of \$751.81 for fiscal year 1999 and \$763.05 for fiscal year 2000.

<sup>(3)</sup> Amount reflects difference between the median state's placement costs and Illinois's due to higher placement population.

<sup>(4)</sup> For additional savings factors see Adoption & Guardianship Program section.



### Adoption and Guardianship

**Mission Statement** Protect children who are reported to be abused or neglected and to increase their families' capacity to safely care for them. To provide for the well-being of children in our care. To provide appropriate, permanent families as quickly as possible for those children who cannot return home. Support early intervention and child abuse prevention activities. Work in partnership with communities to fulfill this mission.

**Program Goals**

- 1) Support and maintain children in adoptive and guardianship homes.
- 2) Provide timely access to support services to help families cope with their children.
- 3) Ensure continuous subsidy payments for those eligible.

	<i>Fiscal Year 1998 Actual</i>	<i>Fiscal Year 1999 Target</i>	<i>Fiscal Year 1999 Actual</i>
<b><u>Outcome Indicators</u></b>			
Adoptions stayed in custody for 12 mos. (did not disrupt)	99.7 %	99.5 %	99.6 %
Guardianships stayed in custody for 12 mos. (did not disrupt)	99.0 %	98.0 %	99.1 %
<b><u>Output Indicators</u></b>			
End of Year (EOY) Total Children in Subsidized Adoptions	15,715	19,840	22,282
EOY Total Children in Subsidized Guardianships	1,445	2,400	3,443
<b><u>Efficiency/Cost-Effectiveness</u> <sup>(1)</sup></b>			
Estimated savings from movement of children from Substitute Care to Adoption or Guardianship - EOY Total Children in Subsidized Adoptions (\$ millions)	\$70.1	\$70.3	\$100.8
Estimated savings from movement of children from Substitute Care to Adoption or Guardianship - EOY Total Children in Subsidized Guardianships (\$ millions)	\$6.4	\$10.9	\$15.6
<b><u>Input Indicators</u></b>			
Budget Expenditures (\$ millions)	\$87.4	\$124.0	\$123.6
<b><u>Explanatory Information</u></b>			

<sup>(1)</sup> Amounts are annual savings from all subsidized adoptions and guardianships.

## HUMAN SERVICES: DEPARTMENT OF HUMAN SERVICES

### *Mission and Organization*

In July 1996, the Governor signed into law House Bill 2632, which merged most of the existing Illinois human services agencies into a new Department of Human Services (DHS) effective July 1, 1997. This legislation consolidated entirely the existing Departments of Alcoholism and Substance Abuse, Mental Health and Developmental Disabilities, and Rehabilitation Services into the new agency. In addition, certain programs from the Departments of Children and Family Services, Public Health, and Public Aid were transferred to DHS. The existing Illinois human services system had been made up of legislatively established departments operating as independent state agencies. Over time, the service delivery system became fragmented, leading to inefficiencies both in the delivery of services to clients and the use of public resources.

The new Department of Human Services integrated these functions and programs into broad programmatic divisions, Community Health and Prevention Services, Transitional Services, Community Operations, and Mental Health and Developmental Disability Services.

The development of the Department of Human Services mission set the overarching objective for DHS, to assist Illinois residents to achieve self-sufficiency, independence and health to the maximum extent possible by providing integrated family-oriented services, promoting prevention, and establishing measurable outcomes, in partnership with communities.

To that end, the mission establishes a focus on self-sufficiency, and recognizes that maximizing independence is the desired outcome. Finally, the mission affirms the importance of performance management in the core functions of the organization.

### *Discussion of Indicators*

The Illinois Department of Human Services assumed responsibility on July 1, 1997, for administering the State's implementation of the federal Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) or welfare reform. The Division of Community Operations Welfare-to-Work program is

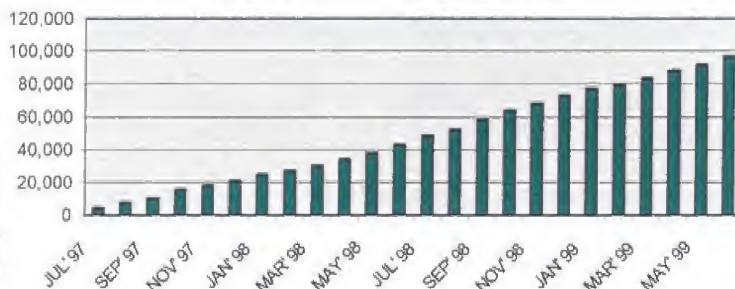
responsible for the direct delivery of the Temporary Assistance for Needy Families (TANF) program as well as Food Stamps; Aid to the Aged, Blind and Disabled (AABD); and Medicaid.

Meeting or exceeding the federal requirements under the PRWORA has been a principal focus of this Division. One of Welfare-to-Work's greatest challenges has been catalyzing and sustaining the kind of changes needed to shift the organization's culture from a strictly income maintenance environment to one that promotes self-sufficiency and maximum independence for clients. With the creation of an integrated, comprehensive network of services and implementation of the One Stop Service Delivery Model, DHS local offices are not just "welfare" offices anymore. The Division's outcome-focused performance management system has helped the Division achieve the following welfare-to-work goals:

■ In fiscal year 1999, the average percentage of TANF families working statewide was at an all-time high of 40.6 percent as compared to 28.7 percent in fiscal year 1998, with an unprecedented 35.1 percent of TANF clients working in Cook County as compared to 21.3 percent in fiscal year 1998. Working TANF clients initiate a first step toward self-support and self-sufficiency. This indicator measures and supports activity that allows the state to exceed the federal work participation rate.

■ As of June 1999, a total of 96,985 TANF families had worked their way off welfare since the start of welfare reform. The highest and best outcome is a TANF case canceled due to earnings. When a case is canceled due to earnings that family is earning at least three times the amount of the TANF benefit level. For the

**TANF Cases Cancelled Due to Earnings  
Since July 1997 (Cumulative Total)**





---

average TANF case, (2 children and 1 adult) the family's yearly income will increase from \$4,524 to \$13,572 before the case is canceled. The family will continue to be eligible for Food Stamps and for medical benefits for up to 12 months.

■ As of June 1999, 86.1 percent of TANF cases canceled due to earnings 12 months earlier had not returned to assistance, with 73.7 percent of the cases not returning to assistance for 24 months. This indicator displays the ultimate success of Welfare Reform, i.e., self-support. This measure has shown steady improvement in the proportion of clients who do not return to TANF assistance.

■ As of June 30, 1999, Illinois' total TANF caseload of 115,683 was at its lowest point since November 1970.

■ Illinois' "available to work" caseload has dropped to 82,057 in June 1999 - a 41.8 percent reduction since the beginning of welfare reform in 1997.

Building on the success of this performance-oriented approach, DHS is continuing to work with staff across the agency to cascade agency-wide goals and objectives throughout the agency, set targets for the key business processes that drive performance, measure the progress and build a high-performing organization through performance management. Examples of future performance outcomes to be reported in the SEA process are:

■ Improved coordination/cooperation between local offices and job contractors to identify, follow-up with, and engage additional clients into jobs paying at least \$6.50 per hour.

■ Improved follow-up and supportive case management to ensure that clients engaged in work activities receive necessary training and supports, and obtain employment.

■ Assessments of the level of satisfaction parents have with DHS' subsidized childcare program to help the state target areas of the state in which improved program services are needed.

■ Measurement of the percentage of families receiving childcare within 45 days from date of application.

■ Pre-admission screenings (adults) made by community provider agencies to ensure that alternative community-based mental health services are considered before referring an individual to the more restrictive and expensive forms of mental health services.

■ Increased percentage of positive discharges for substance abuse clients.

■ Reduction in infant morbidity by increasing the percentage of pregnant women receiving care in their first trimester.

■ Increased independent living opportunities or alternatives to residential settings.

■ Increased percentage of persons with AIDS receiving needed in-home services



# Welfare to Work

**Mission Statement** To help families and individuals achieve self-sufficiency.

**Program Goals**

- 1) Help families and individuals help themselves by increasing their responsibilities and consequently achieve self-sufficiency.
- 2) Meet the Federal work participation rate requirements.

	Fiscal Year 1998 Actual	Fiscal Year 1999 Target	Fiscal Year 1999 Actual
<b>Outcome Indicators</b>			
Average % of Temporary Assistance to Needy Families (TANF) Available to Work (ATW) Caseload (Csls). Entering Employment (each mo.)	6.8 %	13.2 %	9.5 %
Average % of TANF Families not Returning to Assistance Within 12 Months of Cancellation Due to Earnings	78.5 %	N/A	86.1 %
Average % of TANF Families Not Returning to Assistance Within 24 Months of Cancellation Due to Earnings	68.0 %	N/A	73.7 %
Average % of the TANF ATW Canceled Due to Earnings (each mo.)	2.6 %	5.7 %	4.3 %
Average % of the TANF ATW Csls. Meeting the Fed. Work Requirement for 2-Parent Families	77.7 %	90.0 %	93.3 %
Average % of the TANF ATW Csls. Meeting the Fed. Work Requirement for Families with One Adult	37.7 %	35.0 %	60.0 %
Average % of the TANF ATW Csls. Working	28.7 %	46.0 %	40.6 %
<b>Output Indicators</b>			
Average Number of Clients Working Each Month	39,480	40,267	41,950
Total Number of Clients Canceled Due to Earnings	43,056	54,600	53,929
Total Number of Clients Who Obtained Employment	112,560	128,000	118,285
Average Number of One-Adult Families Engaged (each mo.)	60,500	N/A	76,371
Average Number of 2-parent Families Engaged (each mo.)	3,984	N/A	1,832
<b>Efficiency/Cost-Effectiveness</b>			
Cost per TANF Client Who Entered Employment (Estimate of 80% of total number of clients who obtained employment as a result of Local Office influence and intervention)	\$575	\$636	\$636
Time Expended on Clients Who Entered Employment (in hours)	11.1	11.8	12.8
2 Year Projected TANF grant Savings Ratio (\$) <sup>(1)</sup>	\$3.98:1	\$4.20:1	\$4.20:1
<b>Input Indicators</b>			
Budget Expenditures (\$ millions)	\$51.8	\$60.1	\$60.1
Number of Direct Service TANF Personnel (excluding intake)	1,242	1,401	1,401
Hours Expended on Interaction with Clients	1,251,936	1,513,080	1,513,080

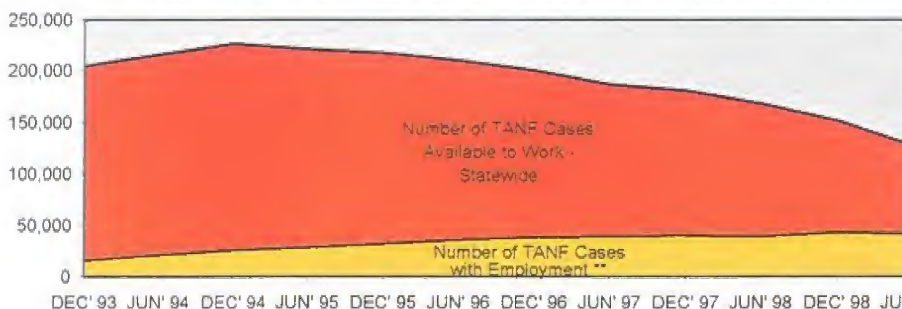
## Explanatory Information

<sup>(1)</sup> For fiscal year 1998, this represents the 2-year projected TANF grant savings of cases canceled due to earnings for the fiscal year who do not return to TANF assistance (Note: 68 percent did not return in fiscal year 1998 and 73.7 percent did not return in fiscal year 1999). Fiscal year 1998 projected TANF savings is \$205,883,480. The annual staff cost to place clients in jobs that resulted in cancellation due to earnings is \$51,760,000. The cost/benefit ratio results in \$3.98 saved for every \$1.00 spent on welfare to work personnel.

Fiscal year 1999 Actual: Projected savings are \$252,784,560 and labor costs are \$60,138,000; the ratio is \$4.20:1.

Assumption: 80 percent of clients who entered employment were a result of Local Office Intervention.

Proportion of Earned Income to TANF Available-to-Work (ATW)\* Caseload



\* ATW -excludes child only and pregnant women cases

\*\* NOTE. APPROXIMATELY 54.4% OF THE CASES EMPLOYED ARE WORKING AT LEAST 30 HOURS PER WEEK.

# Child Care

**Mission Statement** The Bureau of Child Care and Development is dedicated to enhancing the quality, affordability and supply of child care available to families in Illinois.

**Program Goals**

- 1) To provide low income families access to affordable, quality childcare while they are working or participating in approved education/training activity.
- 2) To ensure that children are cared for in a safe and healthy environment that supports overall development.

	<i>Fiscal Year 1998 Actual</i>	<i>Fiscal Year 1999 Target</i>	<i>Fiscal Year 1999 Actual</i>
<b><u>Outcome Indicators</u></b>			
Percent of families seeking child care services served	100 %	100 %	100 %
Percent of customer satisfaction	N/A	N/A	(1)
<b><u>Output Indicators</u></b>			
Number of cases/families served - avg. month	57,500	76,000	76,000
Number of children served - avg. month	115,000	152,000	152,000
<b><u>Efficiency/Cost-Effectiveness</u></b>			
Average cost per case/family - avg. month	\$394	\$434	\$434
Average cost per child - avg. month	\$197	\$217	\$217
<b><u>Input Indicators</u></b>			
Program Spending (\$ millions)	\$307.0	\$448.1	\$448.1
Number of DHS Staff	61	61	61

## Explanatory Information

Exact number of families in state needing child care is unknown.

Child care subsidies provided to low income working families whose annual income is not greater than 50 percent of the state median income. Parent co-pay based on sliding scale.

(1) A survey has been developed and will be sent to clients.



# Addiction Treatment and Related Services

**Mission Statement** The treatment delivery system offers a broad range of treatment alternatives to address the needs of alcohol and substance abusers and to afford opportunities for individuals to take ownership and contribute to their own recovery.

**Program Goals**

- 1) Research: Increase the awareness and involvement of policymakers, funding sources and the general public as new insights into the dynamics of addictions and treatment are derived from continuing research and integrate these findings into planning for the statewide system.
- 2) Treatment Services: To develop, support and provide the highest quality, most effective clinical treatment and continuing care services to persons affected by, or at risk for abuse of, or dependence on alcohol and other drugs.
- 3) Outcomes: Increase the effectiveness of clinical management through the collection of outcome data.

	<i>Fiscal Year 1998 Actual</i>	<i>Fiscal Year 1999 Target</i>	<i>Fiscal Year 1999 Actual</i>
<b><u>Outcome Indicators</u></b>			
Percentage of discharges classified as "positive" (transfers, completions, etc)	47.0 %	47.5 %	N/A
Unduplicated clients served as a percent of the desired capacity <sup>(1)</sup> (client service data)	80.9 %	82.6 %	N/A
<b><u>External Benchmarks</u></b>			
Treatment Outcome and Performance Pilot Studies Enhancement (TOPPS) treatment outcome studies	(In Progress)		
<b><u>Output Indicators</u></b>			
Number of discharges classified as "positive" (transfers, completions, etc.)	31,152	31,739	N/A
Number of Unduplicated Clients Served (client service data)	68,985	70,364	N/A
<b><u>Efficiency/Cost-Effectiveness</u></b>			
There is a \$7.00 savings to the State of Illinois for every \$1.00 dollar spent on treatment. <sup>(2)</sup> (\$ millions)	\$1,049.2	N/A	\$1,096.4
<b><u>Input Indicators</u></b>			
Number of State Employees	47	70	56
Total Grant Spending (\$ millions)	\$149.9	N/A	\$156.6
State Fund Spending (\$ millions)	\$99.3	N/A	\$111.8
Federal Fund Spending (\$ millions)	\$50.5	N/A	\$44.8
Estimated number of individuals in prevalence population <sup>(3)</sup>	852,581	852,581	852,581
Desired individual treatment capacity	85,237	85,237	85,237

## Explanatory Information

Alcohol, Tobacco & Other Drug (ATOD) abuse and dependence costs our nation \$246 billion each year or \$965 for every person in the U.S.. The costs include alcohol-related crimes, health care, government services, criminal justice costs, and lost productivity.

Illinois costs are conservatively estimated at \$6 billion per year. Currently, client records are being reviewed, looking specifically at demographic information, time open in system and the efficacy of client closure codes. This review with appropriate resources will eventually enable us to provide a higher quality of client data which can be used to look at recidivism by sub-population.

<sup>(1)</sup> The desired annual capacity is 15 percent of the lifetime prevalence population receiving adequate and appropriate treatment to meet their needs.

<sup>(2)</sup> California Department of Alcohol and Drug Programs, Evaluating Recovery Service: the California Drug and Alcohol Treatment Assessment, Sacramento, California, 1994.

<sup>(3)</sup> Prevalence studies undercount some populations. This estimate will be revised during fiscal year 2000.



### Community-Based Mental Health (MH) Services

**Mission Statement** Through an organization of regional, Comprehensive Community Mental Health Service Offices, administer state funds to private (primarily not for profit), community-based mental health service provider agencies in support of the delivery of community-based mental health services to those most in need due to the severity of their illnesses and the poverty of their economic situation.

- Program Goals**
- 1) Foster the development of an array of community-based mental health services across the state.
  - 2) Promote the appropriate use of inpatient psychiatric services.
  - 3) Promote quality mental health care and treatment.
  - 4) Enhance the accountability of the public mental health system.
  - 5) Promote a unified system of care through organized networks at the local level.
  - 6) Focus public resources on persons with the greatest need for mental health services.

	<i>Fiscal Year 1998 Actual</i>	<i>Fiscal Year 1999 Target</i>	<i>Fiscal Year 1999 Actual</i>
<b><u>Outcome Indicators</u></b>			
Percent of "bed day" reduction	12.0 %	N/A	1.0 %
Preadmission screenings (adults). Management Information Systems (MIS Report)	84.9 %	88.0 %	91.5 %
<b><u>Output Indicators</u></b>			
Reduction in patient "bed days" in state facilities	90,591	N/A	4,994
Number of individuals served in DHS/OMH (Office of Mental Health) funded community-based mental health programs (MIS Report)	136,569	137,000	136,168
Percentage of programs with deviation (variance) from expected service levels (from OMH Instrument Panel) <sup>(1)</sup>	17.9 %	15.0 %	37.6 <sup>(2)</sup> %
<b><u>Efficiency/Cost-Effectiveness</u></b>			
DHS/OMH price (cost) per individual served (General Revenue/Number individuals served)	\$1,921	\$2,039	\$2,039
Cost savings resulting from "bed day" reductions (\$ millions)	\$30.3	N/A	\$1.8 <sup>(3)</sup>
<b><u>Input Indicators</u></b>			
Number of permanent, full-time regional Network staff to administer program (from OMH Personnel)	41	42	42
General Revenue Spending (\$ millions)	\$262.4	\$277.4	\$277.4
Federal Mental Health Block Grant Spending (\$ millions)	\$11.0	\$11.0	\$11.0

### **Explanatory Information**

Due to the considerable variability across states in the policies and structure of their community mental health services delivery system, meaningful external benchmarks are not available. Illinois is participating in a federal project aimed at establishing such benchmarks for sub-programs and populations.

<sup>(1)</sup> Does not include the mental health portion of the Family Assistance Program and Home-Based Support Services.

<sup>(2)</sup> New system developed in fiscal year 1999, old system undercounted the extent of deviations.

<sup>(3)</sup> These "bed day" reductions have been drastically declining over the past several years, and we are now at the "leveling out" point where further reductions will be small and more difficult to achieve.

### State Hospital Inpatient Services

**Mission Statement** Provide clinically appropriate inpatient mental health services for individuals with mental illnesses who cannot be adequately served through existing community-based services or community psychiatric hospitalization.

**Program Goals**

- 1) Promote the appropriate use of inpatient psychiatric service
- 2) Promote quality mental health care and treatment.
- 3) Enhance the accountability of the public mental health system.
- 4) Promote a unified system of care through organized networks at the local level.

	<i>Fiscal Year 1998 Actual</i>	<i>Fiscal Year 1999 Target</i>	<i>Fiscal Year 1999 Actual</i>
<b><u>Outcome Indicators</u></b>			
Hours of restraint and seclusion per 1,000 patient days (from OMH Instrument Panel)	1.46	1.4	1.72
Re-admissions within 30 days (from OMH Instrument Panel)	11.03 %	11.0 %	12.3 %
<b><u>Output Indicators</u></b>			
Number of patient day in state hospitals, all diagnoses (unduplicated w/ hospital, from MIS Annual Report)	663,748	N/A	658,754
<b><u>Efficiency/Cost-Effectiveness</u></b>			
Per diem cost (General Revenue/number budgeted beds) (from fiscal year 1999 & fiscal year 2000 Budget Briefing Books)	\$335	\$380	\$373
<b><u>Input Indicators</u></b>			
Total permanent, full-time state hospital personnel (from OMH Personnel)	4,524	4,500	4,495
General revenue spending (\$ millions)	\$235.9	\$250.5	\$239.6

### **Explanatory Information**

Illinois is participating with the National Association of State Mental Health Program Directors (NASMHPD) National Research Institute (NRI) in the development of meaningful benchmarks that accommodate the significant differences across states in the nature of the populations and programs served in state hospitals.

### Developmental Disability (DD) Community

<b>Mission Statement</b>	Provide necessary residential, habilitation, and support services for individuals with DD in order that they might reside in their own homes and communities as independently as possible.
<b>Program Goals</b>	1) Develop appropriate community support services in order for children & adults residing in State Operated Developmental Centers (SODCs), nursing facilities, or other residential settings to locate and secure alternative residential opportunities in their own communities. 2) Maintain federal matching dollars and enhance quality.

	<i>Fiscal Year 1998 Actual</i>	<i>Fiscal Year 1999 Target</i>	<i>Fiscal Year 1999 Actual</i>
<b><u>Outcome Indicators</u></b>			
Percent of monitoring visits with acceptable outcomes <sup>(1)</sup>	N/A	N/A	N/A
Percent of substantiated cases of abuse or neglect <sup>(1)</sup>	N/A	N/A	N/A
Percent of resident day reduction	4.6 %	N/A	2.8 %
<b><u>External Benchmarks</u></b>			
Agencies accredited by a national body	N/A	N/A	N/A
<b><u>Output Indicators</u></b>			
Reduction in number of Resident Days in Facilities	60,364	N/A	34,279
Number of individuals enrolled in Family Assistance/Home-Based Support Programs	1,155	N/A	1,664
Number of individuals enrolled in Community Integrated Living Arrangements (CILA) Programs	4,126	N/A	4,562
Number of CILA reimbursement rates and rate reviews processed	4,575	N/A	5,175
<b><u>Efficiency/Cost-Effectiveness</u></b>			
Cost effectiveness comparison with Intermediate Care Facility/Mental Retardation (ICFs/MR) <sup>(2)</sup>	N/A	N/A	N/A
Cost savings resulting from resident day reduction (\$ millions) <sup>(3)</sup>	\$17.0	N/A	\$10.0
<b><u>Input Indicators</u></b>			
DD Grants - GRF Spending (\$ millions)	\$665.2	N/A	\$706.6
DD Grants - All Funds Spending (\$ millions)	\$706.5	N/A	\$747.6
Personnel	86	N/A	86

### **Explanatory Information**

<sup>(1)</sup> Not tracked centrally prior to fiscal year 2000.

<sup>(2)</sup> Average per capita cost for ICFs/MR was \$43,845 in fiscal year 1998. The average for community settings funded by the Health Care Financing Administration (HCFA) Waiver was \$22,464. Fiscal year 1999 data is not yet available. These statistics are monitored by the (HCFA).

<sup>(3)</sup> These cost savings are allowing the facilities to increase the staffing ratio and provide higher quality care.

Monitoring visits and substantiated cases of abuse or neglect were not tracked centrally prior to fiscal year 2000. This practice was changed as a result of the HCFA Waiver audit in late 1998. Changes were planned during the Spring of 1999, in accordance with negotiations with HCFA, and implemented with the approval of the new waiver effective July 1, 1999.

Due to the recent adoption of a rule governing the reporting to OIG, and subsequent training on this issue, we expect to see a rise in the number of known cases of abuse and neglect.



# Developmental Disability (DD) Facilities

**Mission Statement** Provide necessary services for individuals with developmental disabilities (DD) who have intense medical, behavioral, and active treatment needs.

**Program Goals**  
1) Maximize independent living for persons with disabilities.  
2) Enhance the quality of services provided in State Operated Developmental Centers.

	<i>Fiscal Year 1998 Actual</i>	<i>Fiscal Year 1999 Target</i>	<i>Fiscal Year 1999 Actual</i>
<b><u>Outcome Indicators</u></b>			
Percent of closed Office of Inspector General investigations that ended in substantiated cases of abuse or neglect	8.0 %	N/A	14.5 %
Percent of individuals discharged in less than 45 days	45.2 %	N/A	42.3 %
<b><u>External Benchmarks</u></b>			
Retain accreditation by national body	100.0 %	N/A	100.0 %
<b><u>Output Indicators</u></b>			
Total Census	3,352	N/A	3,300
Number of individuals receiving short term assistance services	84.0 %	N/A	78.0 %
<b><u>Efficiency/Cost-Effectiveness</u></b>			
Medicaid Claiming Rate	282.2	N/A	292.7
Staff to resident ratio	1.8	N/A	1.8
<b><u>Input Indicators</u></b>			
DD Facility Spending (\$ millions)	\$271.8	\$280.5	\$274.3
Personnel	5,853	N/A	5,966

## Explanatory Information

It is the goal to improve the quality of services by increasing the staff to resident ratio; therefore, the per diem cost and staff ratio listed under "efficiency" above should be expected to rise.

A new law now mandates follow up of abuse/neglect. While follow up did occur prior to the mandate, the activity was not tracked centrally; therefore, fiscal year 1998 data is not available. New baseline data is now being collected.

### Office of Rehabilitation Services

<b>Mission Statement</b>	The Office of Rehabilitation Services provides professional vocational counseling, job placement and rehabilitation technology services to help persons with significant disabilities get jobs and careers.
<b>Program Goals</b>	1) Increase the number of persons achieving employment outcomes by 15 percent over the number for fiscal year 1999. 2) Increase the number of persons in supported employment placements by 25 percent over the number for fiscal year 1999.

	<i>Fiscal Year 1998 Actual</i>	<i>Fiscal Year 1999 Target</i>	<i>Fiscal Year 1999 Actual</i>
<b><u>Outcome Indicators</u></b>			
Persons in supported employment	801	1,285	1,285
Persons successfully employed	6,292	6,400	6,296
Rehabilitation Rate (Success Rate)	60.7 %	65.0 %	65.9 %
<b><u>Output Indicators</u></b>			
New Applications Taken	15,573	15,941	15,941
New Service Plans Developed	8,816	10,912	10,912
<b><u>Efficiency/Cost-Effectiveness</u></b>			
Average lifetime cost per rehabilitation	\$3,486	\$3,573	\$3,573
<b><u>Input Indicators</u></b>			
General Revenue Fund Grants Spending (\$ millions)	\$14.3	\$11.5	\$14.5
Personnel	684	666	666
Vocational Rehabilitation Fund Spending (\$ millions)	\$44.6	\$45.3	\$45.3
Illinois Veteran's Rehabilitation Fund (\$ millions)	\$2.4	\$2.4	\$2.4
Operations Spending - All Funds (\$ millions)	\$40.5	\$40.1	\$40.1

### Sexually Violent Persons Program

<b>Mission Statement</b>	Provide appropriate treatment consistent with current standards of practice to persons committed to the program through the "Sexually Violent Persons Commitment Act."
<b>Program Goals</b>	1) To provide appropriate treatment to persons committed to the Sexually Violent Persons (SVP) Program consistent with current standards of practice. 2) To provide a range of quality programs and services to meet conditionally released SVP's case management, sex-offender specific treatment and behavioral monitoring needs consistent with survivor, potential victim and public safety requirements.

	<i>Fiscal Year 1998 Actual</i>	<i>Fiscal Year 1999 Target</i>	<i>Fiscal Year 1999 Actual</i>
<b><u>Outcome Indicators</u></b>			
Number of SVP clients placed in the community (from 9/1/99 SVP Report)	N/A	N/A	1
Progress in therapy <sup>(1)</sup>	N/A	N/A	N/A
<b><u>Output Indicators</u></b>			
Number of persons in SVP program (from September 1, 1999 SVP Report)	30	85	79
Average hours of treatment or therapy provider per client per week (from September 1, 1999 SVP Report)	20	20	20
<b><u>Efficiency/Cost-Effectiveness</u></b>			
Per diem cost (General Revenue/85 budgeted beds) <sup>(2)</sup>	\$164	\$200	\$157
<b><u>Input Indicators</u></b>			
Total number permanent, full-time of SVP Program personnel (from OMH Personnel)	12	91	91
General Revenue Spending (\$ millions)	\$0.9	\$5.0	\$4.5
<b><u>Explanatory Information</u></b>			

<sup>(1)</sup> Data collection and reporting procedures are still being established for this new program.

<sup>(2)</sup> From fiscal year 2000 Budget Briefing Book.

This new program began operation on January 1, 1998. Similar programs have recently been implemented in other states, but additional work is needed to evaluate their equivalency relative to the application of meaningful benchmarks.



## HUMAN SERVICES: DEPARTMENT OF PUBLIC AID

---

### *Mission and Organization*

The Department of Public Aid is committed to improving the health of Illinois' families by providing access to quality health care and enforcing child support payment obligations for Illinois' most vulnerable children. The agency provides medical assistance to low income, elderly and disabled individuals and ensures that children receive the financial support they are entitled to from absent parents. The two primary program areas within the Department are Medical Assistance and Child Support Enforcement. The Office of Inspector General also resides within the agency, but functions as a separate, independent entity, reporting directly to the Governor's office.

The fiscal year 1999 all funds appropriation was \$6.17 billion, 95 percent is Medical, 2.5 percent Child Support and .3 percent for the Office of Inspector General. The total increase from fiscal year 1998 to fiscal year 1999 was \$446 million, of which \$421.5 million can be attributed to the Medical Assistance Program. Growth in the KidCare Program and provider rate increases account for the majority of this change. The Department earned over \$3.7 billion in federal funds for fiscal year 1999.

### *Discussion of Indicators*

#### Medical Assistance

The Medical Assistance Program provided essential medical care to a monthly average of 1.4 million Medicaid and KidCare eligible recipients in fiscal year 1999. Recipients included young, pregnant women; infants needing immunizations; children and teenagers needing school check-ups; adults working at low-paying jobs that do not provide medical insurance coverage; senior citizens living in nursing homes; and people struggling with one-time catastrophic medical bills. Licensed practitioners, facilities, and other non-institutional providers enrolled in the Medical Assistance Program provide these medical services. Eligible clients received medical services from 44,716 providers, including 28,599 physicians. As of June 30, 1999 over 47,670 children were enrolled in the KidCare Program, and the number is projected to increase to approximately 99,000 by the end of fiscal year 2000.

Outcome indicators selected to reflect the goals of improving the health status of Illinois children relate to well-child visits, percent of low birth weight babies and incidence of lead poisoning. Outcome indicators suggest that mothers who receive case management in the Illinois Medicaid program have better birth outcomes than those who do not, although even with case management, Medicaid very low birth weight babies fall short of the national average. The prevalence rate for Medicaid children in high-risk areas of childhood lead poisoning exceeding 25 mcg/dl remains below the Illinois average for the general population.

Two indicators were chosen to measure the Department's accountability - paying bills on time and preventing unnecessary expenditures. Paying bills in less than 30 days is a generally accepted standard in both the private and public sector. In fiscal year 1999, Public Aid's length of time to adjudicate and pay bills received was 17.5 days. Cost avoidance is a strategy devised to keep Medicaid the payor of last resort. Cost avoided dollars are Medicaid savings, recognized because of the discovery of a private payor responsible for the medical bills of Medicaid recipients (usually private insurance companies). The Department saved the taxpayers of Illinois over \$69 million in fiscal year 1999 through this discovery process.

#### Inspector General

The mission of the Office of Inspector General (OIG) is to prevent, detect, and eliminate fraud, waste, abuse, misconduct, and mismanagement in the programs administered by the Department of Public Aid (DPA).

The number of provider post-payment audits conducted during fiscal year 1999 increased over 45 percent compared to fiscal year 1998. The OIG conducted 406 audits during fiscal year 1999, exceeding the targeted goal of 395 audits. These audits allowed the OIG to recover \$12.3 million in overpayments. This dollar amount is slightly lower than the \$13.1 million that was recovered during fiscal year 1998, but this level of variance can be expected due to the unpredictability of audit results.

The number of Quality of Care reviews conducted by the OIG during fiscal year 1999 also exceeded the targeted number of 408 reviews. A total of 432 reviews were conducted during fiscal year 1999. This number



also exceeds the 427 reviews completed during fiscal year 1998. The Quality of Care Peer reviews help ensure that Medicaid recipients receive an acceptable level of healthcare.

One effective measurement tool utilized by the OIG during fiscal year 1999 was the Medicaid Client Satisfaction Survey. This survey measured client satisfaction in the following areas: satisfaction with healthcare provider services, quality of services received, physician's interest in the client's care, and accessibility to care. A random sample of Medicaid recipients was selected and out of 2,376 surveys completed, 83.37 percent indicated they were satisfied with the overall healthcare they received. This compares to a national survey of the top HMO's in the nation which rates patient satisfaction at 62.6 percent. Although this benchmark is not ideal, it is an acceptable indicator for comparison purposes. The Medicaid satisfaction survey also revealed that quality of services and physician's interest in care scored 94.65 percent satisfaction rate, and accessibility received a 79.33 percent satisfaction rate.

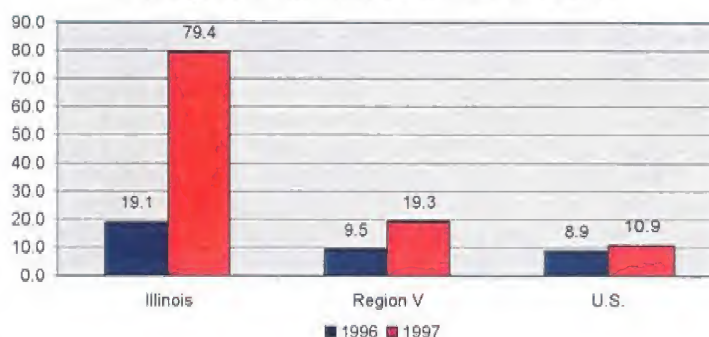
### Child Support

The Division of Child Support Enforcement (DCSE) serves all Temporary Assistance for Needy Families (TANF) clients and any other Illinois citizens requesting assistance, helping single parents secure legally mandated child support awards. These cases are known as Title IV-D. The division locates non-custodial parents, establishes paternity, obtains child support orders, and collects support due under those orders.

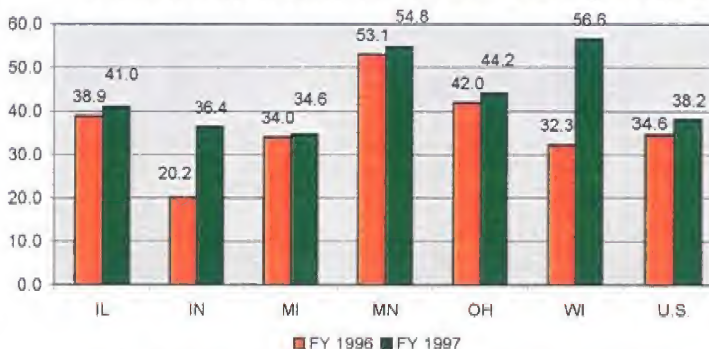
Total collections continued to increase, although collections did not meet the target for fiscal year 1999. Staff resources were spent on the Federal mandate requiring all states to develop a Statewide Disbursement Unit and the Federal mandate to develop and implement a Statewide Automated System for Child Support Enforcement.

Illinois fared quite well in the percent of child support cases with orders receiving payment, 2.8 percent above the national average in fiscal year 1997. Illinois significantly out-performed other states both at a regional and national level in fiscal year 1997 in the percent of increase in Title IV-D paternity's established, reflecting a 79.4 percent increase, as compared to the national average of 10.9 percent and the regional average of

**% Change from Prior FY: IV-D Paternities Established**



**% of Child Support Cases with an Order Receiving a Payment**



19.3 percent. Although this reflects improvement, the actual percent of cases with paternity established continues to drop below the national average.

Of particular importance to the Department are those families who were able to leave TANF due to receipt of child support payments. Over 13,500 families were able to leave TANF in fiscal year 1999 due to collection of child support by the Department.

Efficiency/cost-effectiveness indicators tracked at a national level include collections per dollar of administrative expenditure, collections and cases per full-time equivalent employee. Although Illinois does not appear to perform well in comparison to the U.S. in collections per full-time equivalent, it is important to note that Illinois does not include statistics about Child Support cases that are not enforced by the Title IV-D agency. Many states include statistics about both Title IV-D and non-Title IV-D cases; others have universalized the Title IV-D program to all Child Support cases. Illinois reports only those cases where the custodial parent receives Child Support services as recipients of assistance or through a non-assistance request for services. Title IV-D cases historically tend to be more difficult to collect, and thus are associated with higher costs per case.



# Division of Medical Programs

**Mission Statement** The Division of Medical Programs in the Department of Public Aid is committed to improving the health of Illinois' children and families by providing access to quality medical care.

**Program Goals** 1) Improve the Health Status of Medicaid and KidCare participants.  
2) Improve Efficiency and Cost Effectiveness

	Fiscal Year 1998 Actual <sup>(1)</sup>	Fiscal Year 1999 Target	Fiscal Year 1999 Actual
<b>Outcome Indicators</b>			
Percent of Medicaid births with low birth weight babies <sup>(2)</sup> 1997 (Most recent data available)	N/A	N/A	N/A
Medicaid Case Management (CM)	8.8 %	N/A	N/A
Medicaid non CM	12.6 %	N/A	N/A
Percent of Medicaid very low birth weight babies <sup>(2)</sup> 1997 (Most recent data available)	N/A	N/A	N/A
Medicaid CM	1.6 %	N/A	N/A
Medicaid non CM	2.7 %	N/A	N/A
Prevalence rate for Medicaid children in high-risk areas of childhood lead poisoning exceeding 25mcg/dL <sup>(3)(4)</sup> 1998		N/A	N/A
High risk zip codes ages 1-2	3.0 %	N/A	N/A
High risk zip codes ages 3-5	2.5 %	N/A	N/A
Proportion of Medicaid enrolled children who receive a well- child/comprehensive health screening annually <sup>(5)</sup>	73.7 %	73.7 %	N/A
<b>External Benchmarks</b>			
Illinois low birth weight babies (general population) 1997	7.9 %	N/A	N/A
Illinois prevalence for general population in high-risk areas of childhood lead poisoning exceeding 25mcg/dL <sup>(6)</sup> 1998		N/A	N/A
High risk zip codes ages 1-2	3.0 %	N/A	N/A
High risk zip codes ages 3-5	2.5 %	N/A	N/A
Illinois very low birth weight babies (general population) 1997	1.6 %	N/A	N/A
US low birth weight babies (general population) <sup>(7)</sup> 1997	7.5 %	N/A	N/A
US very low birth weight babies (general population) <sup>(7)</sup> 1997	1.4 %	N/A	N/A
<b>Output Indicators</b>			
Number of KidCare Assist, Share, Premium & Rebate	N/A	N/A	47,676
Number of children enrolled in KidCare Share, Premium & Rebate	N/A	N/A	7,010
Number of pregnant women covered by Medicaid expansion, KidCare moms & babies	814	N/A	1,466
Number of actively enrolled Medicaid & KidCare physicians billing over 100 claims per year	12,194	N/A	12,512
Medicaid & KidCare eligible recipients as of June 30, 1999 (including retroactive caseload)	1,438,899	N/A	1,428,284
65+ Medicaid eligible recipients as of June 30, 1999.	136,121	N/A	136,272
IDPA liability (including KidCare) (\$ millions)	\$4.3	N/A	\$4.5
KidCare liability (\$ millions)	\$7.9	N/A	\$36.5
<b>Efficiency/Cost-Effectiveness</b>			
Average length of time required to adjudicate and pay bills received will be 25 days or less.	17.4	17.5	17.5
Federally approved Third Party Liability (TPL) cost avoidance numbers. (\$ millions)	N/A	\$70	\$69.5
<b>External Benchmarks</b>			
Private sector standard for timely payment of bills is generally considered 30 days.			
<b>Input Indicators</b>			
Total Program Expenditures (\$ millions)	\$5.3	\$5.7	\$5.6 <sup>(8)</sup>
Personnel Full-time	537	728	710
Personnel Non-Approp Headcount	87	N/A	N/A
<b>Explanatory Information</b>			

<sup>(1)</sup> Public Assistance Recoveries were not appropriated prior to fiscal year 1999. Source for fiscal year 1998: SAMS expenditure reports from the Bureau of the Budget.

<sup>(2)</sup> Case management performed by the Dept. of Human Services (DHS). Data source, match Medicaid births with Illinois birth file. Collaborative effort with DPH and DHS.

<sup>(3)</sup> Data source, Illinois Dept. of Public Health (DPH), Childhood Lead Screening Program. Medicaid Lead Screening Program is a joint effort between DPH and DPA.

<sup>(4)</sup> Estimated percentage of Medicaid children under age 6 receiving lead screening - 23 percent; all Illinois children under age 6 receiving lead screening - 20 percent.

<sup>(5)</sup> Reporting period is Federal Fiscal Year. Federal fiscal year 1998 is October 1, 1997 through September 30, 1998. Federal

<sup>(6)</sup> Data source, DPH, Childhood Lead Screening Program.

<sup>(7)</sup> US birth related information derived from Center for Disease Control (CDC) linked file.

<sup>(8)</sup> Public Aid Accounting System (PAAS) actual through September 1999.

# Office of Inspector General

<b>Mission Statement</b>	The Office of Inspector General in the Department of Public Aid is committed to preventing, detecting, and eliminating fraud, waste, abuse, misconduct and mismanagement in programs administered by DPA.
<b>Program Goals</b>	1) To support and strengthen the integrity of DPA programs. 2) To improve access and quality of services received by Medical Assistance and Child Support clients.

	<i>Fiscal Year</i> <i>1998 Actual <sup>(1)</sup></i>	<i>Fiscal Year</i> <i>1999 Target</i>	<i>Fiscal Year</i> <i>1999 Actual</i>
<b>Outcome Indicators</b>			
Percent of positive responses on returned satisfaction surveys in the following areas:	Survey period: April 1996 through March 1998; 2,376 surveys completed <sup>(2)</sup>		
Satisfaction with adequate accessibility.	79.33 %	N/A	N/A
Satisfaction with healthcare provider & services.	83.37 %	N/A	N/A
Satisfaction with quality of services received and doctors interest in care.	94.65 %	N/A	N/A

## External Benchmarks

National Committee for Quality Assurance (NCQA) State of Managed Care Quality Report July 28, 1999	For HMO'S in the top 25% of HEDIS (Health Plan Employer Data & Information Set) "Effectiveness of Care" category: 62.6% of the customers were satisfied with the HMO.
--	---

## Output Indicators

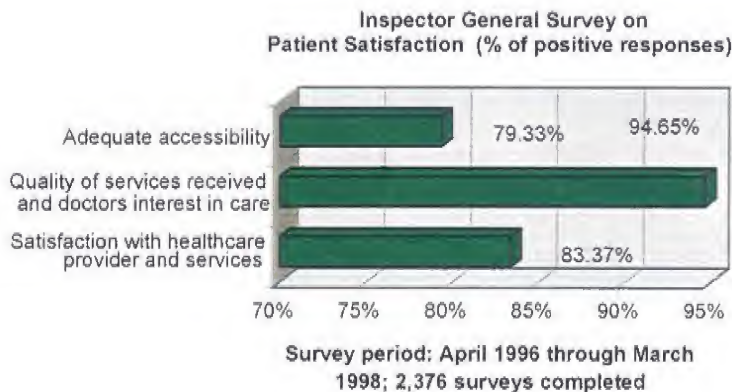
Number of Provider Audits	279	395	406
Number of Quality Care Peer Reviews	427	408	432
Number of Client Satisfaction Surveys Returned to the Dept. (random sampling)	1,201	1,752	1,752
Referrals to Medical Fraud Control Unit	N/A	N/A	49
Recoveries (\$ collected in millions)	\$13.1	N/A	\$12.3
<b>Input Indicators</b>			
Total Program Expenditures (\$ millions)	\$16.1	\$18.4	\$17.7 <sup>(3)</sup>
Personnel Full-Time Headcount	297	311	290

## Explanatory Information

<sup>(1)</sup> Funds for the Office of Inspector General were not appropriated separately until fiscal year 1999. Expenditures for fiscal year 1998 are estimates from the Illinois State Budget.

<sup>(2)</sup> Percentage based on a federally required two-year period. Fiscal year 1998 and fiscal year 1999 data has not been analyzed. Number of client satisfaction surveys returned to the Department in fiscal year 1998 were 1,201.

<sup>(3)</sup> Public Aid Accounting System (PAAS) actual through August 1999.







# Division of Child Support Enforcement

**Mission Statement** The Division of Child Support Enforcement (DCSE) in the Department of Public Aid is committed to enforcing child support obligations for Illinois' most vulnerable children.

**Program Goals** Reduce the poverty level of families being served by DPA/DCSE.

	Fiscal Year 1998 Actual	Fiscal Year 1999 Target	Fiscal Year 1999 Actual
<b>Outcome Indicators</b>			
Percent of cases with paternity established (Federal fiscal year 1997 & Federal fiscal year 1998)	45.6 %	N/A	44.4 %
Percent of child support cases with orders receiving payment (Federal fiscal year 1997 & Federal fiscal year 1998)	41.0 %	N/A	39.2 %
<b>External Benchmarks</b>			
US percent of cases with paternity established. (Federal fiscal year 1996 & Federal fiscal year 1997)	55.0 %	N/A	61.0 %
US percent of child support cases with orders receiving payment (Federal fiscal year 1996 & Federal fiscal year 1997)	34.6 %	N/A	38.2 %
<b>Output Indicators</b>			
Amount of total Child Support Collections in millions (includes all Title IV-D: TANF & Non-TANF) <sup>(1) (2)</sup>	\$321.0	\$339.9	\$336.0
Number of total cases with orders established <sup>(1)</sup>	31,770	32,074	29,013
Number of total cases with paternity established	50,259	51,258	N/A <sup>(3)</sup>
Average monthly child support cases - TANF	391,670	N/A	316,523
Average monthly child support cases - Non-assistance	353,858	N/A	493,411
Families removed from TANF due to receipt of Child Support (Fiscal year 1997 & Fiscal year 1998)	11,265	N/A	13,669
<b>Efficiency/Cost-Effectiveness</b>			
Collections per dollar administrative expenditure <sup>(4)</sup>	\$2.80	\$2.52	\$2.86
Collections per full-time equivalent staff	\$278,257	\$257,305	\$259,259
Cases per full-time equivalent staff	614	N/A	625
<b>External Benchmarks</b>			
US Collections per dollar administrative expenditure. (Federal fiscal year 1996 & Federal fiscal year 1997) <sup>(5)</sup>	\$3.93	N/A	\$3.89
US Collections per full-time equivalent. (Federal fiscal year 1996 & Federal fiscal year 1997) <sup>(5)</sup>	\$236,918	N/A	\$259,152
Region V cases per full-time equivalent. (Federal fiscal year 1996 & Federal fiscal year 1997) <sup>(5)</sup>	387	N/A	400
US Cases per full-time equivalent. (Federal fiscal year 1996 & Federal fiscal year 1997) <sup>(5)</sup>	381	N/A	370
<b>Input Indicators</b>			
Personnel Full-Time Headcount	947	1,007	948
Personnel Part-Time Headcount	268	314	348
Total Program Expenditures <sup>(6)</sup> (\$ millions)	\$114.5	\$135.0	\$117.6 <sup>(7)</sup>
<b>Explanatory Information</b>			

<sup>(1)</sup> Title IV-D only. Many states count non-Title IV-D.

<sup>(2)</sup> Title IV-D represents the State's Child Support Enforcement Program that establishes and enforces support obligations owed by non-custodial parents to their children. The program was created under Title IV-D of the Social Security Act. Services are available automatically for families receiving assistance under Temporary Assistance for Needy Families (TANF) program or to families not receiving TANF if they apply for the service.

<sup>(3)</sup> Conversion to new data system - numbers unknown.

<sup>(4)</sup> Some states include all cases, but Illinois counts only Title IV-D cases. Title IV-D cases are usually more costly as they are more difficult collections.

<sup>(5)</sup> Illinois State Fiscal Year 1998 and fiscal year 1999 data are not directly comparable to Federal Fiscal Year 1996 and 1997 data because the numbers are calculated differently. Illinois headcount data does not include contractual staff, although the agency is hopeful it can run this report for future reporting requirements. State collections include both collections coming in from other states and what Illinois has collected on behalf of other states. Whereas, the Federal Government does not include collections Illinois makes for other states in their data.

<sup>(6)</sup> Program costs reflect administrative expenses from Child Support Trust Fund (CSTF) only. Does not include expenditures from General Revenue Fund or refunds/redirects.

<sup>(7)</sup> Public Aid Accounting System (PAAS) actual through September 1999.

## Other:

Collections include collections made on behalf of other states. The Federal Government does not count collections Illinois makes for other states in their data.



## HUMAN SERVICES: DEPARTMENT OF PUBLIC HEALTH

---

### *Mission and Organization*

The mission of the Illinois Department of Public Health is to promote the health of the people of Illinois through the prevention and control of disease and injury. The Department, in partnership with local health departments and other agencies, employs population-based approaches in its prevention programs.

### *Discussion of Indicators*

#### *Health Assessment and Screening*

The mission of the Health Assessment and Screening Program is to prevent or reduce the adverse effects of certain conditions in children through early detection and follow-up. Chief among these conditions are the following three: 1) genetic, metabolic and hearing disorders in newborns, 2) blood lead poisoning in children and 3) vision and hearing impairments in children. In fiscal year 1999, the Department conducted 185,000 screenings of newborns for genetic, metabolic and hearing disorders and 2,250,000 vision and hearing screenings, through local health departments that order grants with the Department.

Law mandates universal screening of newborns for six metabolic/genetic conditions. Hospitals submit blood samples for each newborn to the State Public Health Laboratory, which conducts tests to screen for indicators of these conditions. The Laboratory reports the results back to the hospitals and to the Health Assessment and Screening Program. If any of the six conditions is indicated, the Program provides follow-up to link children with available services and/or treatment. The outcome of this program was that 260 infants were confirmed to need treatment for a genetic/metabolic disorder.

Physicians and other health providers screen children to determine risk of blood lead poisoning and when a risk is indicated, blood samples are sent for laboratory testing. The laboratory test results are then reported to the Health Assessment and Screening Program, and when the results indicate lead poisoning, the Program provides follow-up services.

#### *Long-Term Care Licensing and Certification*

The mission of the Long-Term Care Licensing and Certification Program is to ensure the quality of care for residents in nursing home facilities. The Long-Term Care Program conducts annual surveys of long-term care facilities, which are licensed under State law and/or certified under federal Medicare/Medicaid programs, to determine compliance with required standards. Facilities found to be out of compliance are required to correct the deficiencies, and follow-up inspections are conducted by the Department to determine that the corrections have been made. Depending upon the severity of the deficiency, a facility may be fined and ultimately its state license or federal certification may be revoked. The Long-Term Care Program also operates a 24-hour, seven-day-week hotline and conducts investigations of all complaints received against Long-Term Care Facilities. In fiscal year 1999, the number of complaints received against Long-Term Care Facilities was 4,708, reflecting a 13.1 percent increase from fiscal year 1998. The fiscal year 1999 outcome was that 46 facilities were cited with an "A Violation". An "A Violation" of State Licensure Standards is defined as "a substantial probability of death or serious physical or mental harm to resident(s)".

#### *Infectious Disease Prevention and Control*

The mission of the Infectious Disease Program is to reduce the spread of infectious diseases and subsequent morbidity and mortality. Immunizations at an early age for vaccine-preventable diseases protect children against certain serious illnesses, including polio, diphtheria, tetanus, pertussis and measles. These illnesses can result in hospitalization, disability or death. The Program provides vaccines to public and private health care providers, monitors and investigates related childhood and adult illnesses, assesses vaccine protection levels of children, and provides educational resources to health care providers, day care facilities, schools and the general public. 1,599,384 doses of vaccine were distributed (excluding the City of Chicago) in fiscal year 1999, reflecting a decrease of 3 percent from fiscal year 1998.

The Infectious Disease Program also operates the AIDS Prevention and the AIDS Drug Assistance programs. The AIDS Drug Assistance program provides prescription drugs for the treatment of AIDS to persons



---

with incomes below 400 percent of the federal poverty level. These drugs slow the progression of the disease and extend the years of productive life for persons with AIDS. The number of prescriptions filled through the AIDS Drug Assistance Program increased 26 percent from fiscal year 1998.

**Public Health Laboratories**

The mission of the Public Health Laboratories is to provide accurate, reliable and timely laboratory services for public health programs. The Public Health

Laboratories have three facilities in the state (Chicago, Springfield, and Carbondale) and perform over 2 million laboratory tests each year. Approximately two-thirds of these tests are newborn screening tests for genetic and metabolic disorders. The timeliness of newborn screening tests is important because of both the perishableness of the blood samples and the need for prompt detection and treatment of the disorders. The Department's laboratories performed 1,442,872 newborn screening tests. 1,127,244 newborn screening tests were reported which resulted in 408 positive test results, indicating the potential for severe harm or fatality to the patient, if the condition is left untreated.

### Health Assessment and Screening

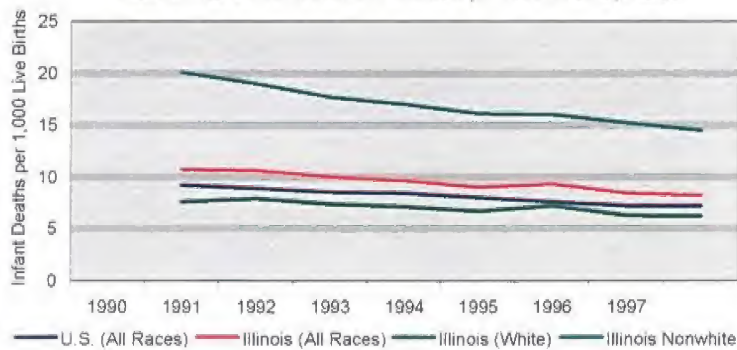
**Mission Statement** To promote the reduction and prevention of adverse effects which result from genetic disorders, elevated blood lead levels and vision or hearing impairments.

**Program Goals**

- 1) To assure that all children born in Illinois are tested for seven (six genetic/metabolic disorders and one hearing disorder) disorders at birth and that appropriate medical intervention occurs.
- 2) To reduce the prevalence of blood lead poisoning in Illinois children through education, screening and medical and environment interventions.

	<i>Fiscal Year 1998 Actual</i>	<i>Fiscal Year 1999 Target</i>	<i>Fiscal Year 1999 Actual</i>
<b><u>Outcome Indicators</u></b>			
Number of Infants Confirmed Needing Treatment for Genetic/Metabolic Disorders	251	N/A	260
<b><u>Output Indicators</u></b>			
Number of Newborns Screened for Genetic, Metabolic and Hearing Disorders	177,108	N/A	185,000
Number of Vision and Hearing Screenings	2,131,083	N/A	2,250,000
<b><u>Efficiency/Cost-Effectiveness</u></b>			
Percentage of Newborns Screened for Six Key Genetic/Metabolic Disorders and One Hearing Disorder	99.4 %	N/A	99.4 %
Percentage of Homes Needing Lead Inspections Where Inspection Completed	69.6 %	N/A	71.9 %
<b><u>Input Indicators</u></b>			
Total Expenditures (\$ millions)	\$8.5	N/A	\$7.6
Number of Staff (June 30, 1999)	25	N/A	35

Public Health: Illinois Infant Mortality: 1990-1997 by Race



### Long-Term Care Licensing and Certification

**Mission Statement** To ensure the quality of care for residents in nursing home facilities.

**Program Goals**

- 1) Conduct all required annual inspections and follow-ups in appropriate time frames.
- 2) Ensure that all complaint allegations are documented and investigated within required time frames.

	<i>Fiscal Year 1998 Actual</i>	<i>Fiscal Year 1999 Target</i>	<i>Fiscal Year 1999 Actual</i>
<b><u>Outcome Indicators</u></b>			
Number of Facilities Cited with an "A Violation" <sup>(1)</sup>	35	N/A	46
<b><u>Output Indicators</u></b>			
Number of Long Term Care Licensure/ Certification Annual Inspections	1,273	N/A	1,274
Number of Long Term Care Licensure/ Certification Follow-up Inspections	2,751	N/A	3,518
<b><u>Efficiency/Cost-Effectiveness</u></b>			
Percentage of Complaints Investigated	100 %	100 %	100 %
<b><u>Input Indicators</u></b>			
Total Expenditures (\$ millions)	\$18.1	N/A	\$19.4
Number of Staff (June 30, 1999)	293	N/A	303
Number of Complaints Received Against Long Term Care Facilities	4,162	N/A	4,708

#### **Explanatory Information**

<sup>(1)</sup> "A Violation" of State Licensure Standards defined as "a substantial probability of death or serious physical or mental harm to resident(s).



# Infectious Disease Prevention and Control

**Mission Statement** To protect the citizens of Illinois from infectious disease.

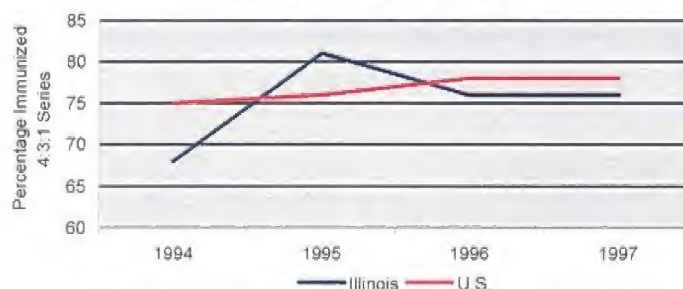
**Program Goals**

- 1) Maintain immunization rates for children under two years of age to 78%.
- 2) Ensure that AIDS Drug Assistance Program clients have access to medications in order to improve the quality of life of people living with HIV.

	Fiscal Year 1998 Actual	Fiscal Year 1999 Target	Fiscal Year 1999 Actual
<b>Outcome Indicators</b>			
Immunization Rate for Children under Two Years of Age	76 %	78 %	76 %
<b>Output Indicators</b>			
Number of Doses of Vaccine Distributed (Excludes City of Chicago, which administers its own program)	1,650,383	1,599,384	1,599,384
Number of Prescriptions Filled through AIDS Drug Assistance Program (ADAP)	57,817	72,679	72,679
<b>Efficiency/Cost-Effectiveness</b>			
Savings to IDPA for Medicaid Eligible Children <sup>(1)</sup> ( \$ millions)	\$532.2	\$336.8	\$336.8
<b>Input Indicators</b>			
Total Expenditures (\$ millions)	\$41.3	\$43.9	\$43.9
Number of Staff (June 30, 1999)	95	99	91
<b>Explanatory Information</b>			

<sup>(1)</sup> An Interagency Agreement between the Illinois Department of Public Health and the Illinois Department of Public Aid (IDPA) provides annual savings to the IDPA for administration of immunization services to Medicaid eligible children. The following vaccines are provided: DtaP, Td, IPV, MMR, HBVAX, Varicella and Hib and range in price under federal contracts from \$6.99/dose to \$35.41/dose. Under catalog prices, the same vaccines range from \$17.05/dose to \$44.26/dose.

**Children Immunized: Basic Series  
Illinois and U.S.: 1994-1997**



Source: Centers for Disease Control, National Immunization Survey

# Public Health Laboratories

**Mission Statement** To provide accurate, reliable and timely state laboratory services.

**Program Goals** 1) Ensure timely turnaround for laboratory services.

2) Ensure that 100% of laboratory testing procedures pass proficiency testing protocols.

	<i>Fiscal Year 1998 Actual</i>	<i>Fiscal Year 1999 Target</i>	<i>Fiscal Year 1999 Actual</i>
<b><u>Outcome Indicators</u></b>			
Total Newborn Screening (NBS) Test Results Reported	1,380,000	1,200,000	1,127,244
Total Positive NBS Test Results Reported <sup>(1)</sup>	626	500	408
<b><u>Output Indicators</u></b>			
Total NBS tests performed	1,418,898	2,141,800	1,442,872
All Other Tests Performed	955,500	955,600	955,622
<b><u>Efficiency/Cost-Effectiveness</u></b>			
Turn-around time for NBS (calendar days)	11 days	11 days	11 days
Turn-around time for positive NBS results (working days) <sup>(2)</sup>	6 days	6 days	6 days
<b><u>Input Indicators</u></b>			
Total Expenditures (\$ millions)	\$14.5	\$14.1	\$14.1
Number of Staff (June 30, 1999)	165	180	166
<b><u>Explanatory Information</u></b>			

<sup>(1)</sup> Positive NBS tests - results that fall outside of the normal ranges, indicating the potential for severe harm or fatality to the patient.

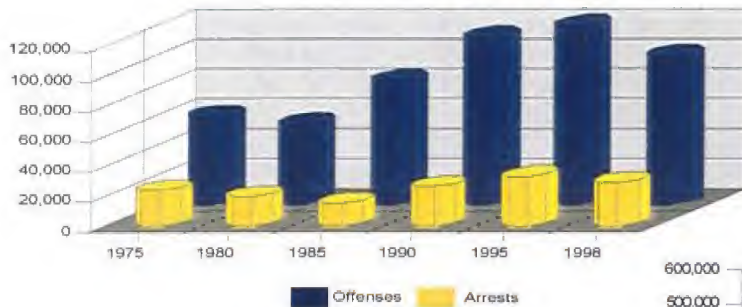
<sup>(2)</sup> Turn-around-time - time elapsed (either calendar or working days) from the time the specimen arrives in the laboratory until the time the corresponding results are sent to the provider.

## PUBLIC SAFETY

### Inputs

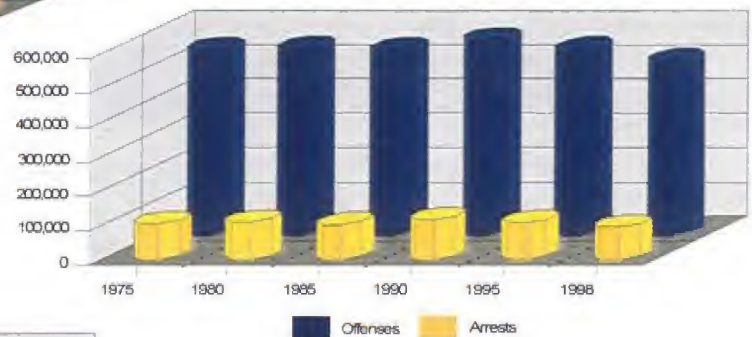
Agency	FY1998 Expenditures	FY1999 Expenditures	% Change
Department of Corrections	\$ 989,769,569.40	\$ 1,103,879,178.43	11.5%
IL Criminal Justice Information Authority	45,147,811.20	47,053,626.90	4.2%
IL Emergency Management Agency	47,656,802.71	51,235,734.09	7.5%
IL Violence Prevention Authority	516,629.06	2,092,740.86	305.1%
Law Enforcement Training Standards Board	10,995,260.14	11,347,269.90	3.2%
Liquor Control Commission	3,556,433.79	3,782,316.22	6.4%
Department of Military Affairs	22,873,544.52	24,565,881.92	7.4%
Department of Nuclear Safety	23,010,338.50	22,844,474.03	-0.7%
Prisoner Review Board	1,081,504.76	1,131,011.62	4.6%
Office of the State Fire Marshall	12,033,366.84	14,803,151.61	23.0%
Department of State Police	273,331,064.58	291,446,024.18	6.6%
State Police Merit Board	691,759.36	784,231.78	13.4%
<b>Total:</b>	<b>\$ 1,430,664,084.86</b>	<b>\$ 1,574,965,641.54</b>	

Violent Crime Total

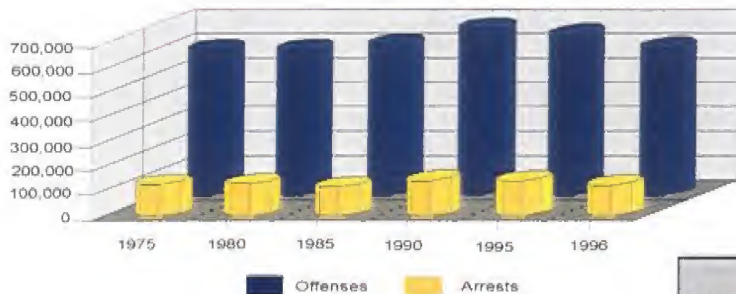


### Outcomes

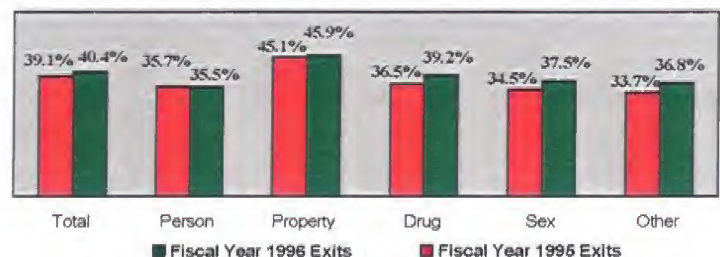
Property Crime Total



Crime Index Total



Recidivism By Type of Crime





## PUBLIC SAFETY: DEPARTMENT OF CORRECTIONS

---

### *Mission and Organization*

The Department of Corrections (DOC) incarcerates all inmates and juveniles sentenced to it by local courts. The Department's mission is to protect the public from criminal offenders through a system of incarceration and supervision which securely segregates offenders from society. Corrections must also assure offenders of their constitutional rights and maintain programs to enhance the success of the offender's re-entry into society.

Service Efforts and Accomplishments (SEA) measurements and reporting are intended to help government agencies think more clearly about their business - their specific products or services, what they are trying to accomplish and their results. Given the Department's role in public safety, the citizens of Illinois and the Department's employees are the primary concern. Inmates, juveniles, and parolees can also be considered customers in that they rely on the Department to provide program opportunities in a safe environment.

SEA reporting seeks to inform taxpayers how tax dollars are spent and about the benefits derived from that spending. Currently, the DOC spends over \$1 billion a year. In order to ensure the necessary accountability and continuity in meeting the Department's mission, it is important that the Department report on indicators that provide a complete picture of its service to society. Such indicators can then be used to provide comparison between or among other state or federal correctional agencies.

### *Discussion of Indicators*

The major problem confronting the safe and orderly operation of the prison system is the continued growth in adult and juvenile populations resulting in major levels of overcrowding. Ninety percent of inmates in adult institutions and eighty-one percent of youth in juvenile facilities are double or multi-celled. Such levels of crowding place staff and inmates/youth at risk.

— **Efficiency** - The indicator "escapes from adult institutions/juvenile facilities per 100 inmates/youth" is a valid indication of how successful the Department is in protecting the general public from criminal offenders.

In both fiscal years 1998 and 1999, the rate per 100 inmates/youth was 0.

Per capita costs per inmate/youth are efficiency/cost-effectiveness indicators that point out the relative cost of incarcerating inmates and youth. For adult inmates, the per capita cost increased 6 percent from \$17,483 in fiscal year 1998 to \$18,500 in fiscal year 1999. For juveniles, the per capita cost increased 12 percent from \$32,237 in fiscal year 1998 to \$36,031 in fiscal year 1999.

**Staff Assaults** - "Staff assaults per 100 inmates/youth" is one outcome indicator measuring the threat to staff in working in adult institutions/juvenile facilities. For adult institutions, the rate per 100 inmates decreased from 1.8 in fiscal year 1998 to 1.7 in fiscal year 1999. This drop in staff assaults per 100 inmates may reflect changes in institutional practices that increased the number of segregation beds used to isolate inmates from disruptive inmates and the March 1998 opening of the Department's first supermax prison (Tamms Correctional Center). For juvenile facilities, the rate per 100 youth increased from 5.5 percent in fiscal year 1998 to 6.4 percent in fiscal year 1999.

**Staff Workload** - To measure the workload of staff, rates for "Staff per 100 inmates/youth at adult institutions/juvenile facilities" are compiled. For adult institutions, the rate per 100 for total staff increased from 30.4 in fiscal year 1998 to 30.5 in fiscal year 1999. For juvenile facilities, the rate per total staff increased from 59.8 in fiscal year 1998 to 61.9 in fiscal year 1999.

**Staff Security** - The indicator "security/custody staff per 100 inmates/youth" is an outcome indicator that measures workload by security/custody staff. For adult institutions security staff, the rate per 100 inmates increased from 21.9 in fiscal year 1998 to 22.2 in fiscal year 1999. For juvenile custody staff, the rate per 100 youth increased from 37.6 in fiscal year 1998 to 39.1 in fiscal year 1999.

**Drug Testing** - Strengthening interdiction and detection efforts to stem the flow of drugs into and within the prison system is a major deterrence policy. Random drug testing is one means of measuring the level of reported drug/alcohol use by adult institutions staff and inmates. For adult institutions staff, the per-

---

centage of positive drug tests reported dropped from 3.3 percent in fiscal year 1998 to 2.4 percent in fiscal year 1999. For adult inmates, the percentage of positive drug tests reported dropped from 5.3 percent in fiscal year 1998 to 3.6 percent in fiscal year 1999.

**Accreditation** - Compliance with nationally recognized American Correctional Association (ACA) accreditation standards serve as a means to compare institutional operations against a standard and with other correctional agencies. In fiscal year 1999, only the newly opened Tamms Correctional Center and the Pinckneyville Correctional Center have yet to be accredited. Accreditation whether based on national standards or internal Department audits are key to maintaining a safe and secure prison system.

**Education Efforts** - The cost per enrollee for students in educational programs increased from \$917 in fiscal year 1998 to \$1,149 in fiscal year 1999. The cost per enrollee for students in vocational programs increased from \$1,111 in fiscal year 1998 to \$1,277 in fiscal year 1999.

The number of GED certificates earned and the number of vocational certificates earned provide a base workload of student achievement. The number of GED certificates earned increased from 2,221 in fiscal year 1998 to 2,236 in fiscal year 1999. The number of vocational certificates earned decreased from 3,362 in fiscal year 1998 to 2,923 in fiscal year 1999.

**Other Indicators** - The Boot Camp (IIP) graduation rate for adult inmates dropped from 71.8 percent in fiscal year 1998 to 70.3 percent in fiscal year 1999.

**Recidivism rate** - This rate measures the percent of the total number of adult or youth for a specific year that was returned to DOC custody within a three-year period. For adult inmates, the recidivism rate increased from 39.1 percent for fiscal year 1995 exits to 40.4 percent for fiscal year 1996 exits. For youth, the recidivism rate for the last data available was 42.7 percent for fiscal year 1995 exits.



### Adult: Institutions/Supervision

**Mission Statement** To protect the public from criminal offenders, through a system of incarceration and supervision which securely segregates offenders from society, assures offenders of their constitutional rights, and maintains programs to enhance the success of the offender's reentry into society.

**Program Goals**

- 1) To protect the general public by incarcerating those persons sentenced as adult offenders.
- 2) To maintain a secure and safe working and living environment for staff and inmates.
- 3) To provide basic services that meet the needs of the inmate population.
- 4) To ensure public safety through a continuum of services from prison to release that effectively monitors and supervises released offenders.

	<i>Fiscal Year 1998 Actual</i>	<i>Fiscal Year 1999 Target</i>	<i>Fiscal Year 1999 Actual</i>
<b><u>Outcome Indicators</u></b>			
Boot Camp (IIP) graduation rate	71.8 %	N/A	70.3 %
Escapes from adult institutions per 100 inmates	0	0	0
Positive drug tests: adult inmates	5.3 %	N/A	3.6 %
Positive drug tests: adult staff	3.3 %	N/A	2.4 %
Staff per 100 inmates at adult institutions	30.4	N/A	30.5
Three year rate of recidivism <sup>(1)</sup>	39.1 %	N/A	40.4 %
<b><u>External Benchmarks</u></b>			
Compliance with ACA national accreditation standards: # facilities not accredited <sup>(2)</sup>	1	N/A	2
Compliance with ACA national accreditation standards: # facilities accredited	25	N/A	25
<b><u>Output Indicators</u></b>			
Annual Adult Population Change	1,715	N/A	2,215
% double or multi-celled	89 %	N/A	90 %
Annual MSR (Mandatory Supervised Release) supervision population change	504	N/A	81
Random drug tests: adult staff	2,019	N/A	2,902
Random drug tests: adult inmates	14,764	N/A	30,993
Total adult court admissions	19,446	N/A	19,762
Total adult violator admissions (violator on supervision)	6,393	N/A	7,076
Total adult visits	24,106	N/A	24,591
Number of meals served in adult institutions	39,770,400	N/A	42,113,700
Boot Camp (IIP) graduates	1,625	N/A	1,639
<b><u>Efficiency/Cost-Effectiveness</u></b>			
Per capita cost per inmate	\$17,483	N/A	\$18,500
Per capita cost per inmate per day	\$47.9	N/A	\$50.68
<b><u>External Benchmarks</u></b>			
National per capita cost per inmate - annual <sup>(3)</sup>	\$20,261	N/A	N/A
National per capita cost per inmate per day	\$55.51	N/A	N/A
<b><u>Input Indicators</u></b>			
Budget Expenditures (thousands)	\$720,066.2	N/A	\$810,145.2
Number of Personnel - Total end of year staff	12,063	N/A	12,875
Number of Personnel - Total end of year security staff	8,690	N/A	9,299
Number of Personnel - Total end of year supervision staff	163	N/A	199
Total end of year adult population	42,140	N/A	44,355
Total end of year MSR (Mandatory Supervised Release) supervision population	30,610	N/A	30,691
Boot Camp (IIP) participants	2,264	N/A	2,332
Security staff per 100 inmates at adult institutions	21.9	N/A	22.2
Staff assaults per 100 inmates	1.8	N/A	1.7

#### **Explanatory Information**

(1) Recidivism is defined as the total number of adult exits returned to an adult institution with either a new sentence or as a technical violator within a three year period; therefore limitations of recidivism analysis as outcome measure should be understood.

(2) New opened facilities not accredited in fiscal year 1998 (Tamms); not accredited in fiscal year 1999 (Tamms and Pinckneyville).

(3) National per capita costs come from page 91 of the Corrections Yearbook 1998. Figures are not available for fiscal year 1999.



### Juvenile: Facilities/Supervision

**Mission Statement** To provide secure custody, rehabilitative programs, and aftercare services for youth committed to the Juvenile Division by the court. These services will be provided consistent with consideration for public safety and the welfare of youth.

**Program Goals**

- 1) To protect the general public by incarcerating and supervising juvenile offenders.
- 2) To maintain a secure and safe working and living environment for staff and youth.
- 3) To provide basic services that meet the needs of the youth population.
- 4) To ensure public safety through a continuum of services from incarceration to release that effectively monitors and supervises released offenders.

	<i>Fiscal Year 1998 Actual</i>	<i>Fiscal Year 1999 Target</i>	<i>Fiscal Year 1999 Actual</i>
<b><u>Outcome Indicators</u></b>			
Custody staff per 100 youth at juvenile facilities	37.6	N/A	39.1
Escapes from juvenile facilities per 100 youth	0	0	0
Staff assaults per 100 youth	5.5	N/A	6.4
Staff per 100 youth at juvenile facilities	59.8	N/A	61.9
Three year rate of recidivism <sup>(1)</sup>	42.7 %	N/A	N/A
<b><u>External Benchmarks</u></b>			
Compliance with ACA national accreditation standards: # facilities accredited	6	N/A	7
Compliance with ACA national accreditation standards: # facilities not accredited <sup>(2)</sup>	1	N/A	1
<b><u>Output Indicators</u></b>			
Total juvenile violator admissions	692	N/A	705
Juvenile facilities releases	2,748	N/A	2,708
Juvenile felons transferred to adult institutions	88	N/A	87
Annual juvenile facility population change	33	N/A	45
% double or multi-celled	82 %	N/A	81 %
Annual juvenile field services population change	136	N/A	113
Total juvenile admissions	2,848	N/A	2,891
<b><u>Efficiency/Cost-Effectiveness</u></b>			
Per capita cost per youth - annual <sup>(3)</sup>	\$32,237	N/A	\$36,031
Per capita cost per youth per day	\$88.32	N/A	\$98.72
<b><u>Input Indicators</u></b>			
Budget Expenditures (thousands)	\$73,383.3	N/A	\$94,945.4
Number of Personnel: Total end of year juvenile facilities staff	1,318	N/A	1,338
Number of Personnel: Total end of year custody staff	818	N/A	846
Number of Personnel: Total end of year juvenile field services	65	N/A	82
Total juvenile facility population	2,154	N/A	2,199
Total juvenile field services (ie. parole) population	1,490	N/A	1,603
"Secure Care" population	2	N/A	2
Annual number of court evaluations	488	N/A	458

### **Explanatory Information**

(1) Recidivism defined as the percent of the total number of juvenile exits returned to a juvenile institution or admitted to an adult institution within a three-year period; therefore limitations of recidivism analysis as outcome measure should be understood. Juvenile recidivism figure for fiscal year 1999 has not been finalized and will be made available at a later date.

(2) Newly opened facility (IYC-Murphysboro) has not been accredited.

(3) National per capita cost per youth for fiscal year 1998 and fiscal year 1999 have not been finalized.

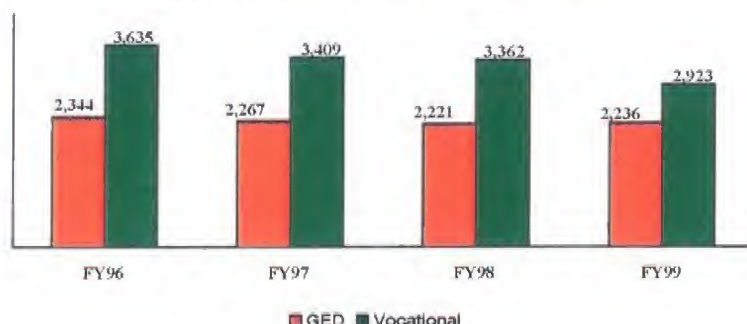
# Educational Programs: Adult Basic Education (ABE), Special Education, GE

<b>Mission Statement</b>	To enhance the quality and scope of education for inmates and wards within the Department of Corrections so that they will be better motivated and better equipped to restore themselves to constructive law-abiding lives in the community.
<b>Program Goals</b>	To meet the educational needs of the inmate population by providing a means to improve literacy level through Adult Basic Education instruction, providing an enriched and enhanced curriculum targeting students functioning below grade level, providing Special Education services and providing the educational opportunity to achieve a GED certificate.

	<i>Fiscal Year 1998 Actual</i>	<i>Fiscal Year 1999 Target</i>	<i>Fiscal Year 1999 Actual</i>
<b><u>Outcome Indicators</u></b>			
Number of GED Certificates Earned, inmate population 44,554	2,221	2,221	2,236
Number of Students Served in Adult Basic Education Programs	15,895	15,895	15,074
<b><u>External Benchmarks</u></b>			
Number of GED Certificates Earned in Indiana DOC, inmate population 19,055	N/A	N/A	1,026
Number of GED Certificates Earned in Michigan DOC, inmate population 44,210	2,147	N/A	N/A
Number of GED Certificates Earned in Pennsylvania DOC, inmate population 36,000	1,416	N/A	N/A
Number of GED Certificates Earned Ohio DOC, inmate population 47,200	2,186	N/A	2,105
<b><u>Output Indicators</u></b>			
Number of Students Enrolled	26,491	26,491	25,124
<b><u>Efficiency/Cost-Effectiveness</u></b>			
Annual Cost Per Enrollee <sup>(1)</sup>	\$917	N/A	\$1,149
<b><u>Input Indicators</u></b>			
Actual Expenditures (thousands)	\$22,822.1	\$25,369.6	\$25,369.6
Number of State Employees	357	368	368
Number of Contractual Employees	107	107	107
Equipment and Educational Software Purchased (thousands)	\$317.2	\$317.2	\$1,704.2
<b><u>Explanatory Information</u></b>			

(1) Federal grants supplement the General Revenue effort to provide Adult Basic Education, Special Education and GED programs. Title 1 funds are received in both the Adult and Juvenile Divisions. In addition, Federal Adult Education funds are received in the Adult Division. The majority of these funds are used to pay teachers' salaries; however, in fiscal year 1999 Title 1 Funds were made available to purchase Literacy Laboratories (computers and educational software) for each of the 12 institutions with a Title 1 Program. Most Special Education programs are provided through a contract with an Educational Service Region.

GED/Vocational Certificates FY1996-FY1999



# Educational Programs: Vocational Programs

**Mission Statement** To enhance the quality and scope of education for inmates and wards within the Department of Corrections so that they will be better motivated and better equipped to restore themselves to constructive law-abiding lives in the community.

**Program Goals** To provide the opportunity for inmates to master occupational skills while incarcerated.

	Fiscal Year 1998 Actual	Fiscal Year 1999 Target	Fiscal Year 1999 Actual
<b>Outcome Indicators</b>			
Number of Vocational Certificates Earned, inmate population 44,554	3,362	3,362	2,923
<b>External Benchmarks</b>			
Number of Vocational Certificates Earned in Indiana DOC, inmate population 19,055	N/A	N/A	497
Number of Vocational Certificates Earned in Ohio, inmate population 47,200	1,187	N/A	1,138
Number of Vocational Certificates Earned in Pennsylvania DOC, inmate population 36,000	2,500	N/A	N/A
<b>Output Indicators</b>			
Number of Students Enrolled	8,409	8,409	8,810
<b>Efficiency/Cost-Effectiveness</b>			
Annual Cost Per Enrollee	\$1,111	N/A	\$1,277
<b>Input Indicators</b>			
Actual Expenditures (thousands)	\$9,338.6	\$11,246.5	\$11,246.5
Number of State Employees	37	37	37
Number of Contractual Employees	228	236	236

## Explanatory Information

Grant funds are used to supplement the General Revenue Fund effort in providing vocational programs and transition services. Most vocational programs are provided through contracts with community colleges. Grants which support vocational education include Vocational Administrative, Education to Careers, Vocational Improvement, Vocational Formula and, new in fiscal year 1999, Youthful Offender.



## PUBLIC SAFETY: DEPARTMENT OF STATE POLICE

### *Mission and Organization*

The Illinois State Police (ISP) is a code department in the executive branch of state government, consisting of operational divisions (Administration, Forensic Services, Human Resource, Internal Investigation and Operations), direct accountability of which is assigned through eight programs. Three programs (Forensics, Investigation and Patrol) are included in this year's SEA report.

### *Discussion of Indicators*

#### Patrol

The primary goal of the Patrol program is to safeguard the public by reducing the number and severity of traffic crashes and by reducing crime and the fear of crime. The 1,569 men and women who support the patrol program are charged with protecting the public in communities and on the roadways. Patrol program personnel assist motorists and enforce traffic laws, speak to the public on matters of safety and security, and work with local police and communities to combat crime as a team. The agency relies on two principal strategies, strategic patrol and public education, to accomplish its goals of safe streets and communities, both of which are developed from a philosophy of problem-oriented policing.

The agency employs strategic patrol to most effectively impact crime and crashes. Officers in 21 districts, throughout the state, work with local officials to identify crime and traffic concerns. Using mapping technology, command personnel can assign officers and address local concerns. During fiscal year 1999, there was a 4.3 percent decline in the fatal crash rate for non-commercial vehicles and commercial vehicle fatal crash rates dropped by 2

percent. Patrol efforts do not solely target traffic safety. Illinois highways are also a transportation route for guns, drugs, and money. Focused drug interdiction efforts have resulted in a 55 percent

increase in drug money seized - from \$3.5 million in FY1998 to \$5.5 million in FY1999.

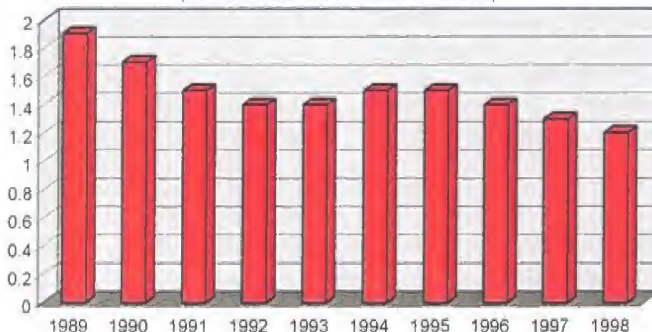
The Illinois State Police has committed to a strong public information effort to get the word out about safety issues. From ads and interviews on local media to officers talking with students and distributing printed materials, the public safety education effort includes seat belt use, aggressive driving, drug abuse, and peer pressure. Using such "interactive" tools as *fatal vision* goggles which simulate the effects of alcohol on perception and a rollover simulator which demonstrates the effects of a crash on unrestrained occupants, officers stress traffic safety. Fiscal year 1999 saw a 19.7 percent increase in the number of public safety education programs presented, and a 2.7 percent increase in the seatbelt compliance rate. Increased seatbelt compliance saves lives and reduces injuries.

#### Investigation

The primary goal of the Investigation program is to solve crimes reported directly to ISP and to assist other police agencies in solving crime by providing impartial evidence to assist in successfully prosecuting offenders. The 767 employees investigate violent crimes, property crimes and public integrity crimes throughout Illinois.

ISP investigators are involved in major crime task forces with local agencies and provide investigative resources for local jurisdictions without investigative resources. In fiscal year 1999, ISP investigators opened 8,781 cases. Arrests for criminal offenses rose to 26,334 (increase of 2.9 percent over fiscal year 1998) 979 illegal firearms were seized (up 1.1 percent from the previous year), and arrests for drug offenses rose by 9.4 percent to 2,387.

**Fatal Crash Rate**  
(Per 100 Million Vehicle Miles Traveled)



The Investigation program also facilitates successful investigations across the state by sharing intelligence information, providing crime analysts through locally based resource support centers, and maintaining databases containing criminal histories and sex offender registration. Aggressive enforcement of sex offender registration laws brought about a reduction of 56 per-



cent in the percentage of offenders failing to register as required - from 23 percent in fiscal year 1998 to 10 percent in fiscal year 1999.

### **Forensics**

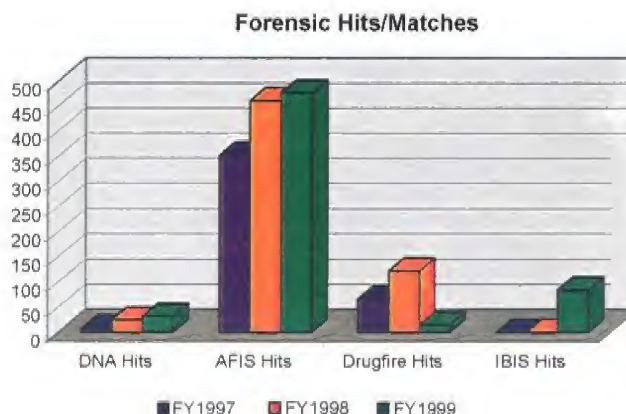
The primary goal of the Forensics program is the timely and effective delivery of scientific analysis to contribute to the reduction of crime. The criminal justice system relies heavily on forensic sciences as an integral part of the investigative and judicial process. In recent years, crime laboratories throughout the country have experienced a 23 percent caseload increase. During fiscal year 1998, ISP's eight laboratories (Chicago, Westchester, Joliet, Rockford, Morton, Springfield, Metro-East, and Carbondale) analyzed over 118,000 cases, up 6 percent from the 112,000 cases analyzed during the previous year. Despite the increase in cases, more than 98 percent of forensic analyses were completed within 60 days of submission, ensuring the availability of evidence crucial for successful criminal prosecutions.

While the demand for ISP's laboratories to perform evidence analysis has increased, so too has the demand to deliver crime scene services (evidence collection). During fiscal year 1999, crime scene staff responded to 4,722 requests for crime scene processing, up from the 4,641 requests in fiscal year 1998. Even though these investigators process state police crime scenes, almost 98 percent of their cases are requests from county and municipal police agencies who rely on the state police to collect and preserve physical evidence at crime scenes. Recent technological advances in evidence collection techniques enable ISP crime scene investigators to reconstruct a crime scene and identify evidence which at one time may have been overlooked - increasing the likelihood that this evidence will produce a "hit" and may lead to the arrest of a suspect.

During fiscal year 1999, ISP's laboratory system made major strides in upgrading its DNA analytical services, including the transition to the most current DNA technology, short tandem repeats (STR). This new technology combined the advantages of the two DNA technologies currently used - Restriction Fragment Lengths Polymorphism (RFLP) and Polymerase Chain Reaction (PCR). STR analysis is a simple procedure which provides the same, or better, discrimination between individuals; can be used on very small or

degraded DNA samples taken from a crime scene; and can be used on mixtures. STR can also be automated, shortening the analysis time for some cases to one week. STRs have also been standardized for use in the national DNA database (CODIS). In fact, the robotic equipment used to automate STR analysis resulted in a 30 percent increase in DNA hits in fiscal year 1999 (31), compared to 24 in fiscal year 1998.

In early fiscal year 1999, ISP began using the Integrated Ballistic Identification System (IBIS). A network of state and local laboratories was established to implement IBIS technology and provide weapons tracking and linking to all policing agencies in the northern Illinois area. In addition, Drugfire, another computerized firearms identification system capable of matching fired evidence from crime scenes to suspects' weapons, continued to prove its value as a forensic tool.



The Illinois State Police consists of other programs not included in this report, but crucial to the agency's mission: **Information Service** provides data processing applications which enhance the safety of law enforcement personnel; **Human Resource** recruits and trains personnel to execute the responsibilities of the Illinois State Police; **Communication** provides the design, operation and maintenance of a statewide voice radio dispatching and call-taking service for the Illinois State Police and other state and local agencies; **Integrity** conducts investigations of all allegations of employee misconduct in the executive branch; and **Agency Support** maintains an infrastructure and work environment that promotes the accomplishment of ISP goals.



# Patrol

**Mission Statement** Safeguard the public by reducing the number of traffic crashes and the fatality of those crashes and by reducing crime and the fear of crime through diligent operations which address the specific needs of the communities served.

**Program Goals**

- 1) Enhance the safety of the motoring public on Illinois roadways.
- 2) Interdict and reduce the availability of illegal drugs entering Illinois
- 3) Enhance the safety of commercial vehicles traveling throughout the state.

	<i>Fiscal Year 1998 Actual</i>	<i>Fiscal Year 1999 Target</i>	<i>Fiscal Year 1999 Actual</i>
<b><u>Outcome Indicators</u></b> <sup>(1)</sup>			
Percent of Motor-Carrier Inspections Resulting in Drivers Taken Out-of-Service	5 %	N/A	5 %
Percent of Motor-Carrier Inspections Resulting in Vehicles Taken Out-of-Service	17 %	N/A	16 %
Percent of Statewide Fatal Crashes in which Alcohol Was a Contributing Factor	35 %	N/A	35 %
Percent of Statewide Fatal Crashes in which Speed Was a Contributing Factor	12 %	N/A	21 %
Percent of Statewide Fatal Crashes Involving Victims Not Using Seatbelts (Only Those Crashes For Which Seatbelt Use Could Be Determined)	66 %	N/A	64 %
Percent of Vehicles Exceeding 55 MPH - Urban Interstates <sup>(2)</sup>	41.2 %	N/A	44.1 %
Percent of Vehicles Exceeding 65 MPH - Rural Interstates <sup>(2)</sup>	39.5 %	N/A	42.3 %
Seatbelt Compliance Rate	64.2	N/A	67
Statewide Reported Commercial Vehicle Fatal Crash Rate - Interstate Highways (per 100,000,000 vehicle miles traveled)	0.05	N/A	0.05
Statewide Reported Commercial Vehicle Fatal Crash Rate - US Routes (per 100,000,000 vehicle miles traveled)	0.02	N/A	0.02
Statewide Reported Non-Commercial Vehicle Fatal Crash Rate - Interstate Highways (per 100,000,000 vehicle miles traveled)	0.13	N/A	0.12
Statewide Reported Non-Commercial Vehicle Fatal Crash Rate - US Routes (per 100,000,000 vehicle miles traveled)	0.08	N/A	0.06
<b><u>External Benchmarks</u></b>			
National Total Fatal Crash Rate (per 100,000,000 vehicle miles traveled)	1.4	N/A	1.4
<b><u>Output Indicators</u></b>			
Illinois Vehicle Code Written Warnings	573,155	N/A	609,809
Motor Carrier Level One Inspections	20,256	N/A	21,276
Drug Arrests	2,733	N/A	2,741
Guns Seized through Interdiction Efforts	992	N/A	968
Currency Seized through Interdiction Efforts (thousands)	\$3,552.4	N/A	\$5,521.3
Public Safety Education Presentations	3,299	N/A	3,950
Motorist Assists	133,611	N/A	122,781
Illinois Vehicle Code Citations	394,827	N/A	409,262
<b><u>Efficiency/Cost-Effectiveness</u></b>			
Patrol Time per Motorist Assist (hours)	16	N/A	16
Patrol Time per Citation Issued (hours)	23	N/A	19
Patrol Time per Written Warning issued (hours)	16	N/A	13
<b><u>Input Indicators</u></b>			
Budget Expenditures (thousands)	\$110,314.6	N/A	\$119,297.8
Number of Personnel	1,551	N/A	1,569
Report of Calls (initial contact with ISP)	128,737	N/A	124,570

## Explanatory Information

(1) Non-fiscal information is reported on a calendar year basis - calendar year 1997 and calendar year 1998 respectively. The agency is developing the framework to report patrol outcome information by fiscal year. Money seized includes only those seizures of \$10,000 or more.

(2) Average speed data are obtained from Illinois Department of Transportation automated speed monitoring locations (10 on rural interstates, 2 on urban interstates), and are reported by calendar year (1997 and calendar year 1998 are included in this report).



# Investigation

**Mission Statement** To solve crimes reported directly to the Illinois State Police and assist other agencies in solving crime where requested, providing impartial evidence to assist in the successful prosecution of identified suspects.

**Program Goals**

- 1) Develop a statewide drug strategy.
- 2) Reduce the impact of crime or the fear of crime for citizens in their communities.
- 3) Encourage and assist communities to become self-reliant through community policing.

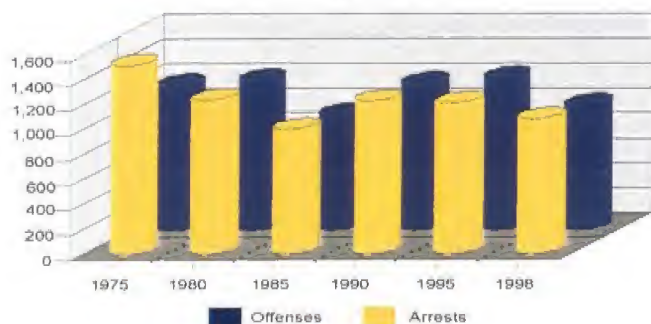
	Fiscal Year 1998 Actual	Fiscal Year 1999 Target	Fiscal Year 1999 Actual
<b>Outcome Indicators</b>			
Percent of ISP District 11 Murder Cases Cleared <sup>(1)</sup>	68.2 %	N/A	53.1 %
Percent of ISP District 11 Rape Cases Cleared	83.3 %	N/A	48.2 %
Percent of Sex Offenders Failing to Comply with Registration Laws	23 %	N/A	10 %
Statewide Murder Rate (per 100,000 population)	9.3	N/A	8.4
Statewide Rape Rate (per 100,000 population)	55.6	N/A	51.3
<b>External Benchmarks</b>			
Percent of Murder Cases Cleared by Arrest Nationally	66.1 %	N/A	68.7 %
<b>Output Indicators</b>			
Number of Cases Opened	7,799	N/A	8,781
Number of Arrests for Criminal Offenses	25,582	N/A	26,334
Number of Sex Offenders Registered	8,863	N/A	9,840
Number of Illegal Firearms Seized	968	N/A	979
Number of Arrests for Drug Related Offenses	2,181	N/A	2,387
<b>Efficiency/Cost-Effectiveness</b>			
Average Time to Clear Homicide Case	N/A	N/A	N/A
<b>Input Indicators</b>			
Budget Expenditures (thousands)	\$65,273.0	N/A	\$71,839.3
Number of Personnel	783	N/A	767

## Explanatory Information

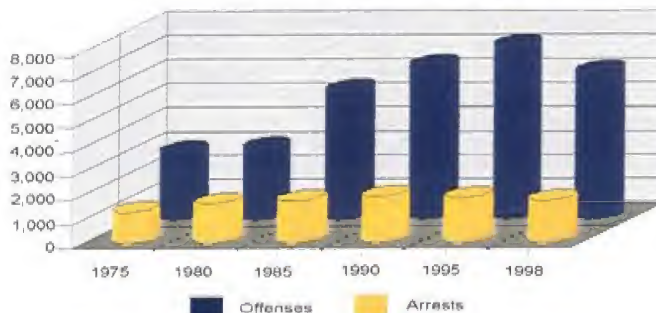
(1) The agency is piloting a project to develop case clearance rates by crime type. The numbers for murder and rape cases reflect the investigative efforts of the pilot district, District 11 in Collinsville. Cases are counted as cleared when a suspect is identified and arrested, or for reasons beyond the agency's control an arrest cannot be made. The clearance rates for crimes in more recent fiscal years are understandably lower than cases from previous fiscal years which have had the benefit of additional investigative time. Many of the cases from the most recent fiscal year are only a few months old. Statewide crime rates, as well as external benchmarks are reported on a calendar year basis (calendar year 1997 and calendar year 1998, respectively). The agency is currently developing the data infrastructure to report on firearm related homicide, as well as the capacity to report requests for Resource Support Center service and time to clear cases by crime type.

(2) The agency is currently developing the data infrastructure to report on firearm related homicide, as well as the capacity to report requests for Resource Support Center service and time to clear cases by crime type.

**Murder**



**Criminal Sexual Assault**



# Forensic Services

**Mission Statement** To deliver effective and timely scientific analysis in order to contribute to the reduction of crime by increasing the number of offenders and repeat offenders successfully prosecuted.

**Program Goals** 1) Provide effective scientific analysis in a timely manner.  
2) Develop techniques and introduce new technology to enhance forensic analysis.

	<i>Fiscal Year 1998 Actual</i>	<i>Fiscal Year 1999 Target</i>	<i>Fiscal Year 1999 Actual</i>
<b><u>Outcome Indicators</u></b>			
AFIS Hits/Matches (Automated Fingerprint Identification System)	460	N/A	476
DNA Hits/Matches	24	N/A	31
Drugfire Hits/Matches	122	N/A	15
Hits/Matches Generated w/Evidence Collected by Crime Scene Investigators	205	N/A	202
IBIS (Integrated Ballistics Identification System) Hits/Matches <sup>(1)</sup>	N/A	N/A	84
Percent of Users "very satisfied" on Customer/User Survey <sup>(2)</sup>	97.1 %	N/A	N/A
<b><u>External Benchmarks</u></b>			
Percent of ISP Laboratories Accredited by the American Society of Crime Laboratory Directors <sup>(3)</sup>	100 %	N/A	100 %
<b><u>Output Indicators</u></b>			
Cases Worked Systemwide (ISP)	119,488	N/A	119,557
Crime Scenes Processed Statewide	4,641	N/A	4,722
<b><u>Efficiency/Cost-Effectiveness</u></b>			
Percent of Cases Processed Within Established Turnaround Standards <sup>(4)</sup>	N/A	N/A	71.1
<b><u>External Benchmarks</u></b>			
Impact of New Technology and/or Techniques in Terms of Increased Effectiveness, Efficiency, etc. <sup>(5)</sup>	N/A	N/A	N/A
<b><u>Input Indicators</u></b>			
Budget Expenditures (thousands) <sup>(6)</sup>	\$36,247.6	N/A	\$36,196.4
Number of Personnel	480	N/A	474
Cases Received for Scientific Analysis	117,243	N/A	121,279
Requests for Crime Scene Services	4,641	N/A	4,722

## Explanatory Information

(1) IBIS was brought on-line in late 1998 (fiscal year 1999); no statistics regarding system use are available prior to that date.

(2) The Laboratory User Survey is conducted bi-annually; another survey will be administered during fiscal year 2000.

(3) Every laboratory in ISP's system is subject to inspection by ASCLD every 5 years. The most recent inspection was conducted during FY1998 at which time ISP's entire system was reaccredited.

(4) The standards were established during fiscal year 1999, so fiscal year 1998 data is not available.

(5) Beginning in fiscal year 1999 and continuing through the current fiscal year, training is being delivered to several hundred Chicago Police Department detectives in forensic analysis offered by ISP's labs and the services available to assist in improving CPD case management and productivity and to enhance the investigative value of evidence collected by CPD officers and submitted to ISP labs for analysis.

(6) Fiscal year 1998 actual expenditures include \$34,928.5 thousand in GRF and \$1,319.1 thousand in Special Funds [e.g., federal project funds, State Police Services Fund (State Crime Lab Fund, State Crime Lab DUI Fund)].

Fiscal year 1999 actual expenditures include \$34,806.6 thousand in GRF and \$1,389.8 thousand in Special Funds [e.g., federal project funds, State Police Services Fund (State Crime Lab Fund, State Crime Lab DUI Fund)].



## ENVIRONMENT AND BUSINESS REGULATION

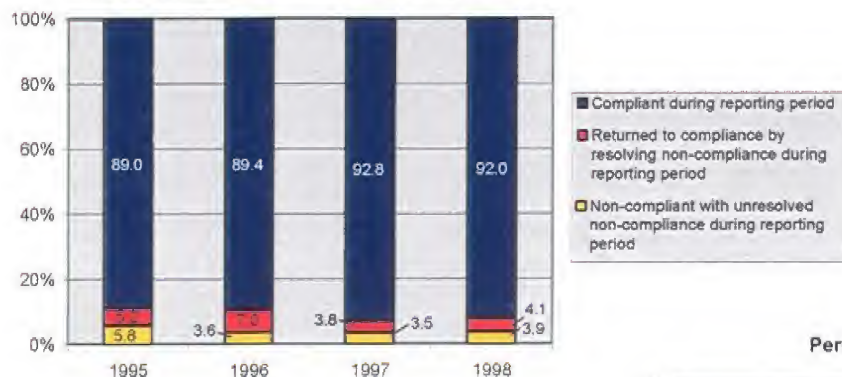
### Inputs

Agency	FY 1998 Expenditures	FY 1999 Expenditures	% Change
Environmental Protection Agency*	\$ 322,173,981.66	\$ 342,988,760.10	6.5%
Department of Financial Institutions	40,045,587.06	45,382,699.87	13.3%
Department of Human Rights	8,731,049.48	8,408,676.12	-3.7%
Human Rights Commission	1,916,581.93	1,750,920.70	-8.6%
Illinois Commerce Commission	28,436,172.50	31,105,847.33	9.4%
Illinois Racing Board	11,318,920.65	11,215,262.90	-0.9%
Industrial Commission	21,071,960.46	23,014,951.02	9.2%
Department of Insurance	23,058,408.43	23,927,327.51	3.8%
Department of Natural Resources	204,186,597.44	242,470,734.85	18.7%
Office of Banks and Real Estate	22,871,438.52	24,158,435.75	5.6%
Pollution Control Board	2,481,398.27	2,624,193.78	5.8%
Department of Professional Regulation	20,935,734.48	22,039,124.66	5.3%
<b>Total:</b>	<b>\$ 707,227,830.88</b>	<b>\$ 779,086,934.59</b>	

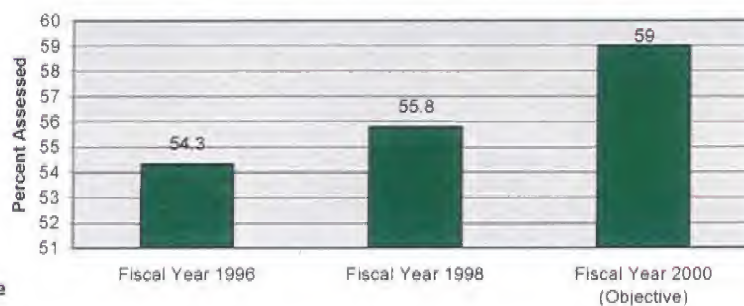
\* Includes expenditures for the Environmental Protection Trust Fund Commission

### Outcomes

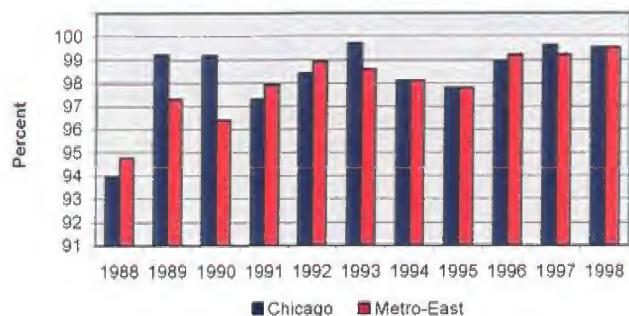
Percent of Population Served by Community  
Water Supplies Compliant with Health Requirements



Percent of Waterways in Good Condition



Percent of Days with Good or Moderate Air Quality in the  
Chicago and Metro-East Areas





# ENVIRONMENT AND BUSINESS REGULATION: ENVIRONMENTAL PROTECTION AGENCY

## *Mission and Organization*

The Illinois Environmental Protection Agency (IEPA) was created as part of the Environmental Protection Act of 1970. The IEPA's mission is to "safeguard environmental quality consistent with the social and economic needs of the state, so as to protect health, welfare, property and the quality of life." In fiscal year 1999 the General Assembly appropriated \$834 million to fund the activities of the agency, which includes administering state and federal programs to protect and improve air, land and water resources. The IEPA employs approximately 1,300 people, including engineers, biologists, attorneys and other professionals with the skills necessary to carry out the functions of the agency.

Activities of the agency include issuing permits for air, land and water to restrict emissions into the environment from industrial and commercial sources; regulating pollution control facilities and solid waste disposal sites; testing the quality of water processing procedures for operators of sewage treatment plants and public supplies; training operators of wastewater treatment plants; and testing of gasoline powered vehicles in ozone nonattainment areas. The IEPA also administers grants and loans to local governments for wastewater and water treatment facilities and certifies requests by industries for tax incentives for pollution control facilities.

## *Discussion of Indicators*

The mission of the Clean Air program is that Illinois should be free of air pollutants at levels that cause significant risk of cancer, respiratory or other health problems. In fiscal year 1999, the Clean Air program received appropriations of \$100 million and had an authorized headcount of 431 employees. Output indicators include permits issued, facilities inspected and vehicles tested.

The IEPA operates a network of air quality monitors across the state. These monitors continuously test the air to determine the levels of various pollutants. USEPA has established national air quality standards for six criteria pollutants: carbon monoxide, lead, sulfur dioxide, nitrogen dioxide, particulate matter and

ozone. The state has two ozone nonattainment areas: the Chicago area and the Metro-East/St. Louis area.

Percent of Days with Good or Moderate Air Quality in the Chicago and Metro-East Areas



The agency's Clean Air program goals are to maintain 98 percent "good" or "moderate" air quality outside of the Chicago and Metro-East ozone nonattainment areas and maintain 95 percent "good" or "moderate" air quality in the Chicago and Metro-East ozone nonattainment areas. The Pollutant Standards Index is the means for determining the air quality in a region. In 1998, areas of the state outside of the Chicago and Metro-East ozone nonattainment areas experienced good to moderate air quality 100 percent of the time. For the same period, the ozone nonattainment areas experienced good to moderate air quality more than 99 percent of the time. The fact that IEPA's ozone nonattainment areas still experience good to moderate air quality more than 99 percent of the time demonstrates the progress that has been made toward improving air quality for the citizens of Illinois.

The mission of the Clean Land program is that waste will be managed in an environmentally correct manner to protect human health and the environment and that contaminated sites will be remediated to reduce or control risk to human health and the environment. In fiscal year 1999, the Clean Land program received \$154 million in appropriations and had an authorized headcount of 467 employees. Output indicators include permits issued, facilities inspected, acres remediated and cleanup projects completed. A goal of the Clean Land program is to increase the acres of land remediated at federal superfund and state hazardous waste sites and at Leaking Underground Storage Tank (LUST) sites. Remediated sites are defined as properties at which health risks are successfully reduced or controlled. At the end of fiscal year 1999, 3,024 acres



---

of land have been remediated. The Clean Land program also ensures that facilities engaging in hazardous waste management processes (e.g., disposal, treatment and storage) meet safe waste management standards. In fiscal year 1999, 44.8 million cubic yards of waste were properly disposed of in Illinois. Pollution prevention, waste reduction and recycling are also goals of the Clean Land program. In fiscal year 1999, 13.3 million cubic yards of materials were diverted or recovered from the waste stream.

The mission of the Clean Water program is that Illinois rivers, streams and lakes will support all designated uses, including protection of aquatic life, recreation and drinking water supplies. In fiscal year 1999, the Clean Water program received \$579 million in appropriations and had an authorized headcount of 482 employees. Output indicators include permits issued, facilities inspected and the number of financial agreements awarded.

Waterways are an important gauge in the indication of overall environmental quality. Waterways throughout the state have been classified as either good, fair or poor depending upon whether they can attain the standards necessary for their designated uses. The quality

of Illinois' rivers and streams has dramatically improved over the last twenty-five years. In fiscal year 1999, the IEPA met the goal of 59 percent of the river miles in Illinois being in good condition by the year 2000. Inland lakes are a vital component of the economic and social well being of Illinois. Some 90 million visitor days of general lake recreation generates an estimated \$1.8 billion annually to the state's economy. Similar to the way rivers and streams have been evaluated, Illinois lakes have been judged to be in good, fair or poor condition based upon whether they satisfy the standards necessary for fish consumption, swimming, boating and drinking water as well as the ability to support fish and wildlife. In fiscal year 1999, 90 percent of Illinois' lakes were rated in good or fair condition. Another goal of the Clean Water program is for drinking water to be free of contaminants that have the potential to cause either short term or long term health effects. In fiscal year 1999, the percentage of persons served by Illinois community water supplies that were compliant with all health requirements was 92 percent.

# Clean Air

<b>Mission Statement</b>	The air should be free of pollutants that cause significant risk of cancer or respiratory or other health problems.
<b>Program Goals</b>	<ol style="list-style-type: none"> <li>1. Maintain "good" or "moderate" air quality outside of the Chicago and Metro-East ozone nonattainment areas 98% of the time.</li> <li>2. Maintain "good" or "moderate" air quality in the Chicago and Metro-East ozone nonattainment areas 95% of the time.</li> <li>3. Maintain attainment status for pollutants other than ozone, particularly in urban areas.</li> <li>4. Attain the 1-hour ozone standard by 2007.</li> </ol>

	<i>Fiscal Year 1998 Actual</i>	<i>Fiscal Year 1999 Target</i>	<i>Fiscal Year 1999 Actual</i>
<b>Outcome Indicators</b>			
"Good" or "moderate" air quality levels as measured through the Pollutant Standards Index (PSI) in the nonattainment areas (1a, 1b, 1c)	100 %	95 %	N/A
Levels of ozone measured at air quality monitors (national standard: 120 parts per billion) (2a, 2b)	107	N/A	N/A
Levels of emissions of other criteria pollutants (carbon monoxide, lead, particulate matter, nitrogen dioxide, sulfur dioxide) (3)	see below	N/A	N/A
Levels of emissions of volatile organic compounds (VOC) in the nonattainment areas for the ozone season (4a, 4b)	N/A	18,297	N/A
<b>Output Indicators:</b>			
Number of permits issued to large pollutant emitting facilities (Title V) for the operation of such facilities	530	600	582
Number of facilities inspected (non-Title V and Title V) to ensure compliance with state and federal regulations	3,699	6,784	7,000
Number of vehicles tested in the nonattainment Chicago metropolitan and Metro-East areas to ensure compliance with state and federal air quality standards (5)	1,752	2,193	1,575
<b>Efficiency/Cost-Effectiveness</b>			
Cost of inspecting and permitting each small (non-Title V) pollutant-emitting facility (6)	N/A	N/A	\$87.00
Cost of inspecting and permitting each large (Title V) pollutant-emitting facility (7)	N/A	N/A	\$1,946
Cost per vehicle tested in the Chicagoland and Metro-East areas to ensure compliance with state and federal air quality standards (8)	N/A	N/A	\$22.00
<b>Input Indicators</b>			
Amount Expended	\$62,272,200	\$99,815,700	\$80,353,200
Headcount (June 30th)	385	431	384

## Explanatory Information

- (1a) A nonattainment area is a portion of the state where the ambient air quality does not meet the national standard.
- (1b) Fiscal year 1998 actual amount: 99.5 percent
- (1c) Fiscal year 1999 actual measurements are done on a seasonal basis and the season has not ended.
- (2a) Ambient levels of ozone expressed in parts per billion "ppb" in the nonattainment areas. Ambient levels are those levels of ozone measured at air quality monitors and are actual measured levels. There were 107 parts per billion of ozone measured at a spot. The national standard of ozone is 120 parts per billion.
- (2b) Fiscal year 1999 target cannot be estimated and fiscal year 1999 actual data is not available because the ozone season has not ended.
- (3) Calendar year 1998 actual measurements are consistent with the form of national standards. Fiscal year 1999 target data cannot be estimated. Fiscal year 1999 actual data is not available because the measurements are done on a calendar-year basis.
- (4a) In the nonattainment area, there will be 18,297 tons of volatile organic compounds, a precursor to ozone, emitted between May 1st and October 30th, the ozone season.
- (4b) Fiscal year 1998 data is still being quality assured. Fiscal year 1999 actual data is not available because the ozone season has not ended.
- (5) The Fiscal year 1999 target was based on 5 months of basic testing and 7 months of enhanced testing. Actual vehicles tested reflect 7 months of basic testing and 5 months of enhanced testing.
- (6) Non-Title V facilities are those facilities to whom the Department issues permits or certifications for operation or who register with the Agency. Fiscal year 1998 and fiscal year 1999 target data is not available.
- (7) Title V facilities include major facilities subject to Title V of the Clean Air Act and the construction permits associated with those facilities.



# Clean Land

- Mission Statement**
1. Waste will be managed in an environmentally correct manner to protect human health and the environment.
  2. Contaminated sites will be remediated to reduce or control risk to human health and the environment.
  3. Groundwater will be protected.
- Program Goals**
1. Prevent releases from waste management facilities that harm groundwater, human health and the environment.
  2. Reduce the volume of hazardous waste generated, focusing on long-lasting toxic substances.
  3. Encourage pollution prevention, waste reduction and recycling.
  4. On an annual average basis, increase the acres of land remediated at Superfund and [state] Site Remediation Program sites.
  5. On an annual average basis, increase the acres of land remediated at LUST (Leaking Underground Storage Tank) sites.
  6. Demonstrate a decreasing trend in significant releases to shallow groundwater at regulated non-LUST facilities over the next five years.
  7. Ensure that all injected contaminants are contained in designated injection zones.

	Fiscal Year 1998 Actual	Fiscal Year 1999 Target	Fiscal Year 1999 Actual
<b>Outcome Indicators</b>			
Acres of land where human health risk is reduced or controlled	2,983	4,321	3,024
Volume of recyclable materials diverted or recovered from the waste stream (millions of cubic yards of waste)	13	12.9	13.3
Waste properly disposed of in Illinois (millions of cubic yards of waste)	41.9	41.9	44.8
<b>Output Indicators</b>			
Number of permits issued for non-hazardous, hazardous and potentially infectious medical waste facilities	829	835	829
Number of hazardous, non-hazardous, potentially infectious medical waste and tire generator facilities inspected	5,800	5,800	4,720
Number of solid waste administrative citations issued for open dumping of waste in violation of landfill regulations	18	50	42
Number of acres remediated	2,983	4,321	3,024
Number of federal superfund cleanups	0	2	1
Number of state cleanup projects completed	8	5	6
Number of LUST (Leaking Underground Storage Tank) incidents reported	1,626	2,000	1,935
Number of household hazardous waste collections	26	7	7
<b>Efficiency/Cost-Effectiveness</b>			
Cost per facility permitted	N/A	N/A	\$5,300
Cost per household hazardous waste collection	N/A	N/A	\$55,600
<b>Input Indicators</b>			
Amount Expended	\$66,259,300	\$154,391,700	\$73,348,200
Actual Headcount (June 30th)	426	467	427



# Clean Water

<b>Mission Statement</b>	1. Illinois rivers, streams and lakes will support all designated uses. 2. Every public water supply will provide water that is consistently safe to drink and resource groundwater will be protected.
<b>Program Goals</b>	1. Waterways with good water quality conditions will increase 10% from 1996 to 2000. 2. The percentage of lakes in good or fair condition will remain constant from 1995 to 2000. 3. The percentage of Lake Michigan open shoreline miles in good condition will remain constant from 1995 to 2000. 4. The percentage of the population served by community water supplies receiving drinking water with no short-term or long-term adverse health effects will increase to over 95% by 2005. 5. Fifty percent of the community water systems in the state will have source water protection programs in place by 2005.

## Outcome Indicators

	Fiscal Year 1998 Actual	Fiscal Year 1999 Target	Fiscal Year 1999 Actual
Percent of community water supplies with source water protection programs in place	34.0 %	36.0 %	36.2 %
Percent of Illinois waterways with good water quality conditions	55.8 %	59.0 %	59.3 %
Percent of inland lakes in good or fair condition	89.2 %	90.0 %	90.1 %
Percent of population served by community water supplies compliant with health requirements	92.0 %	92.0 %	92.0 %
Percentage of pollutant load discharged that is compliant with discharge limits (1)	99.2 %	99.5 %	99.2 %

## Output Indicators

Number of permits issued for the construction of waste water and drinking water mains (2)	13,984	8,800	8,421
Number of facilities inspected	1,815	1,700	1,585
Number of wastewater grants administered to local municipalities to construct and improve wastewater treatment facilities	37	76	86
Number of wastewater loans administered to local municipalities to construct and improve wastewater facilities	27	30	35
Number of drinking water loans administered to local municipalities to construct and improve drinking water facilities	5	30	28
Number of nonpoint source projects (3)	16	19	10
Number of lake grants administered	11	10	10

## Efficiency/Cost-Effectiveness

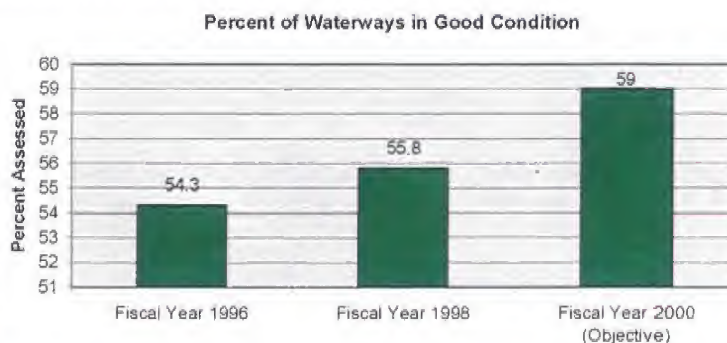
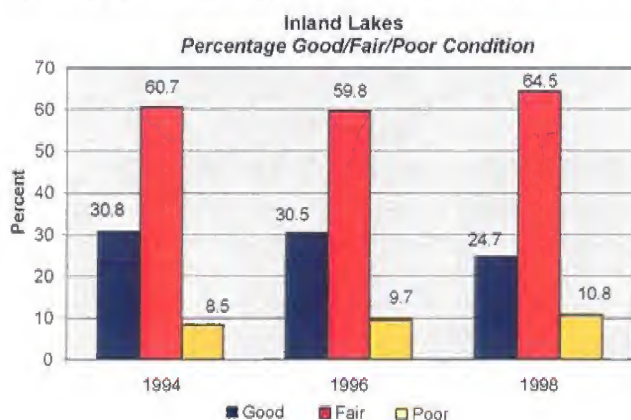
Cost per facility permitted (4)	N/A	N/A	\$758.00
---------------------------------	-----	-----	----------

## Input Indicators

Budget Appropriations (5)	\$189,256,300	\$579,883,500	\$185,860,900
Actual Headcount (June 30th)	415	482	425

## Explanatory Information

- (1) Represents 2005 goal.
- (2) Includes re-issuance of stormwater permits on a five-year cycle.
- (3) Fiscal year 1999 federal funds for projects reduced by \$900,000 to fund Total Maximum Daily Load contracts.
- (4) Fiscal year 1998 and fiscal year 1999 target data not available.
- (5) Fiscal year 1999 target appropriations reflect reappropriations of wastewater loans issued in prior years.





## ENVIRONMENT AND BUSINESS REGULATION: DEPARTMENT OF NATURAL RESOURCES

---

### *Mission and Organization*

The overall mission of the Department of Natural Resources is to promote an understanding and appreciation of the state's natural resources and work with the people of Illinois to protect and manage those resources to ensure a high quality of life for present and future generations.

The Department of Natural Resources currently manages over 260 sites of publicly owned and leased land. Additionally, the Department manages a variety of other public sites such as museums, boat access areas, marinas, trails and concessions that are leased to or operated by private concessionaires or local communities.

The Department also coordinates the operations of the Illinois State Museum in Springfield, the Lockport Art Gallery in Lockport, the Illinois Art Gallery in Chicago, the Dickson Mounds Museum in Fulton County and the Southern Illinois Arts and Crafts Marketplace in Franklin County.

In order to provide an efficient administrative structure, the Department is organized into 10 main operating offices. The fiscal year 1999 submission for the Service, Efforts and Accomplishments (S.E.A.) Report examines indicators for two of the Department's major program areas: Outdoor Recreation and Resource Protection.

### *Discussion of Indicators*

#### Outdoor Recreation

The mission of the Outdoor Recreation program is to provide safe, accessible, high quality and resource compatible recreation opportunities to the public so they can enjoy the state's natural and cultural resources.

In fiscal year 1999, the Department expended \$69,777,800 for the Outdoor Recreation program with an authorized headcount of 795.

Over 40,000 people visited state sites owned and/or operated by the Department in fiscal year 1999. It cost the Department \$88.31 to manage each acre of sites or \$.88 per visitor. On a scale of 1-5, visitors to the sites ranked their satisfaction at an average of 4.5.

#### Resource Protection

The mission of the Resource Protection program is to protect, manage, enhance and restore Illinois' natural resources and to preserve the state's natural resources for present and future generations.

In fiscal year 1999, the Department expended \$80,133,900 for the Resource Protection program with an authorized headcount of 587.5

Over six million tree seedlings were produced for reforestation in fiscal year 1999. This output indicator illustrates the efforts by the Department to facilitate tree planting throughout the state by producing tree seedlings at their two tree nurseries and then distributing them to both private and public entities to be planted.

Another objective of the Department's Resource Protection program is to increase the amount of carbon dioxide absorbed from the environment through tree planting. Otherwise known as CO<sub>2</sub> sequestering by reforestation, this effort involves both the private and public sector, through which the Department facilitates tree planting across the state. The results of the program have resulted in the absorption of over 105,074 tons of carbon dioxide annually.

The Conservation Reserve Enhancement program is the latest program instituted by the Department that involves working with private entities to protect the Illinois watershed and its tributaries. By working with landowners to protect and restore the Illinois watershed, the Department's goal is to eventually reduce pollution in these areas by having easements along the watershed, which includes excluding current farming practices in the suitable areas.

The Department owns or manages less than 5 percent of the state's vast natural resources. To protect, enhance and restore natural resources not under its direct control, the Department offers a number of programs to assist landowners regarding natural resource management and preservation. To this end, 246,800 acres have been brought under forest management, a 2.5 per cent increase over the prior year; protected natural area acreage has increased from 45,764 acres to 58,550 acres, a 28 per cent increase.



# Resource Protection

**Mission Statement** The purpose of the Resource Protection Program is to protect, manage, enhance and restore Illinois' natural resources and to preserve the state's natural resources for present and future generations.

**Program Goals**

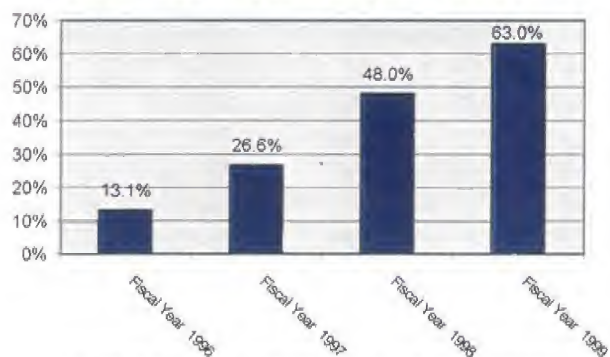
1. Preserve, manage and enhance natural and cultural resources on Department of Natural Resources managed properties.
2. Acquire land for natural resources protection and restoration.
3. Preserve, manage and enhance natural resources on properties not under ownership or direct management by DNR.
4. Manage water resources and improve flood control.
5. Manage wildlife and fish populations and habitats for their ecological, sociological and economic values.

	<i>Fiscal Year 1998 Actual</i>	<i>Fiscal Year 1999 Target</i>	<i>Fiscal Year 1999 Actual</i>
<b>Outcome Indicators</b>			
Percent of the state covered by Ecosystem Partnerships (1)	48 %	63 %	63 %
Number of acres brought under forest management (2)	240,822	230,000	246,800
Tons of Carbon Dioxide (CO <sub>2</sub> ) removed from the atmosphere by reforestation (3)	29,185	105,074	105,074
Conservation reserve enhancement program enrollment	N/A	7.0	7.0
Number of deer harvested	133,274	136,000	136,000
Amount saved from flood damage reduction benefits of completed projects to prevent future flooding (4)	N/A	\$1,608,000	\$1,608,000
Protected natural area acreage	45,764.00	58,097.00	58,550.00
<b>Output Indicators</b>			
Amount of seedlings produced for reforestation	5,544,000	6,000,000	6,877,000
Forest landowners receiving management assistance	8,836	9,230	8,141
Number of protected natural areas	412	439	436
Number of deer permits issued	483,240	523,000	523,000
Number of ecosystem partnerships designated	22	30	29
Acquired land (acres)	1,297	2,818	2,818
Number of acres reforested	8,836	14,140	14,140
<b>Efficiency/Cost-Effectiveness</b>			
Completed flood control projects cost efficiency ratio (4)	0	3.7	3.7
<b>Input Indicators</b>			
Amount Expended	\$62,146,400	\$80,133,900	\$80,133,900
Estimated Headcount	588.6	587.5	587.5

## Explanatory Information

- (1) Ecosystem Partnerships provide financial and technical support for maintaining and enhancing ecological and economic conditions in watersheds.
- (2) The Department provides forest management assistance to public and private landowners.
- (3) The Department facilitates a tree planting program available to private and public entities interested in planting and maintaining trees that consequently remove harmful carbon dioxide elements from the atmosphere.
- (4) The cost-efficiency figures represent a 3.7: \$435,000 ratio for the flood reduction benefit, which exceeded the cost of any post-flood figures by 3.7 times.

Percent of State Covered by Ecosystem Partnerships\*



\* The Ecosystems Program provides financial and technical support for sustaining the state's key watersheds through state/local partnerships

# Recreation

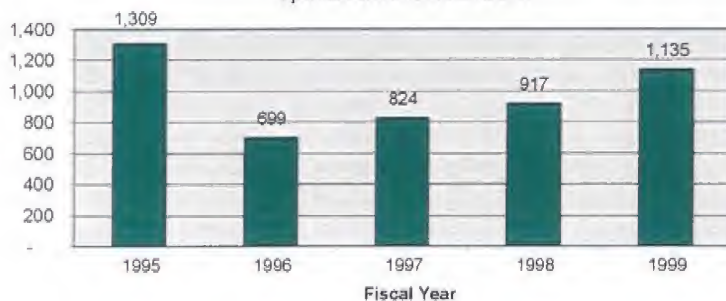
**Mission Statement** The purpose of the Outdoor Recreation Program is to provide safe, accessible, high quality and resource compatible outdoor recreation opportunities to the public so they can enjoy the state's natural and cultural resources.

- Program Goals**
1. Provide high quality resource compatible recreation opportunities to site visitors at Department managed properties.
  2. Acquire additional Department lands to enhance opportunities for outdoor recreation activities.
  3. Efficiently and effectively plan and execute the development of recreation facilities and opportunities at Department sites.
  4. Provide grants and partner with local units of government to preserve open space and provide enhanced outdoor recreation opportunities.
  5. Provide compatible public use of wildlife resources and their habitats.
  6. Provide quality sport fishing opportunities.

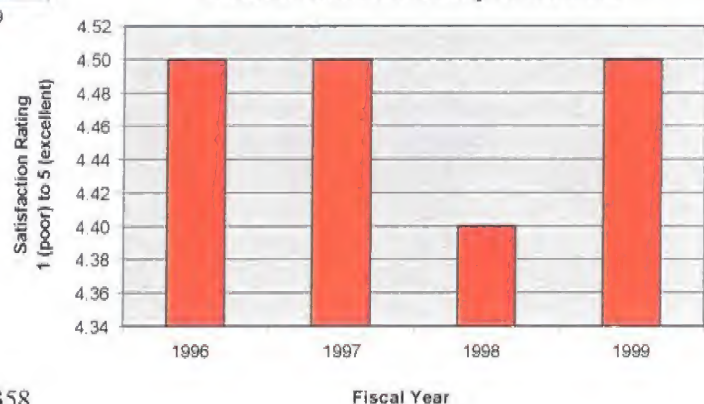
	Fiscal Year 1998 Actual	Fiscal Year 1999 Target	Fiscal Year 1999 Actual
<b>Outcome Indicators</b>			
Miles of bike trails acquired/developed through grants	46.0	117.9	117.9
Amount of grantee acquired acreage	917.0	1,135.0	1,135.0
Visitor Survey (overall satisfaction scale of 1-5)	4.4	4.5	4.5
<b>Output Indicators</b>			
Acreage owned and managed (1)	403,303	404,500	406,100
Site attendance	40,250	40,450	40,450
Number of camper days	1,220	1,250	1,250
Number of grants awarded	129	147	147
Total amount of grants awarded	\$18,563,000	\$23,498,000	\$23,498,000
Number of hunting licenses issued	314,074	318,500	310,275
Number of fishing licenses issued	787,843	778,250	795,000
<b>Efficiency/Cost-Effectiveness</b>			
Cost per acre managed	\$81.60	\$88.31	\$88.31
Cost per visitor	\$0.82	\$0.88	\$0.88
<b>Input Indicators</b>			
Amount Expended	\$58,431,900	\$69,777,800	\$69,777,800
Estimated Headcount	795	795	795
<b>Explanatory Information</b>			

(1) The Department facilitates land acquisition by local governments with grant assistance provided under the state's Open Land Acquisition and Development Program. The land must be used in perpetuity for open space and outdoor recreation activities.

**Acres of Land Acquired by Local Governments for Open Space/Outdoor Recreation**



**Customer Satisfaction Rating for Site Visits**





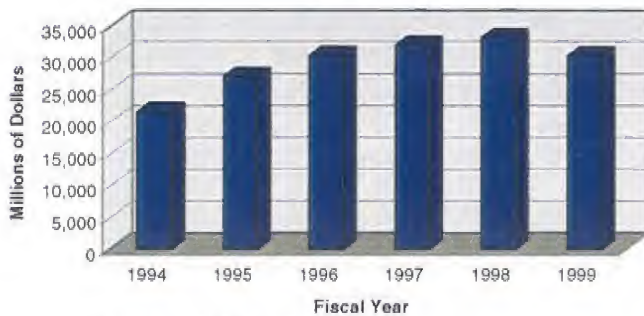
# ECONOMIC DEVELOPMENT AND INFRASTRUCTURE

## Inputs

Agency	FY1998 Expenditures	FY1999 Expenditures	% Change
Dept. of Agriculture	\$ 91,388,164.63	\$ 113,507,533.01	24.2%
Dept. of Commerce & Community Affairs	479,912,710.33	539,941,099.78	12.5%
East St. Louis Financial Advisory Authority	266,680.31	232,305.84	-12.9%
Dept. of Employment Security	196,912,586.42	213,592,824.28	8.5%
Historic Preservation Agency	14,713,309.04	18,760,966.49	27.5%
IL Arts Council	14,096,638.25	17,370,950.88	23.2%
IL Farm Development Authority	636,890.30	1,370,418.90	115.2%
IL Medical District Comm.	5,718,901.04	8,740,577.16	52.8%
IL Rural Bond Bank	337,019.64	581,705.47	72.6%
IL Sports Facilities Authority	18,000,000.00	1,800,000.00	-90.0%
Dept. Of Labor	5,823,560.37	6,480,532.84	11.3%
Metropolitan Pier & Exposition Authority	102,130,718.15	103,063,816.32	0.9%
Prairie State 2000 Authority	3,110,024.74	2,596,486.38	-16.5%
Southwestern IL Devel. Authority	-	546,684.00	
Dept. of Transportation	2,660,519,595.65	2,605,280,398.69	-2.1%
IL State Toll Highway Authority	367,420,329.26	461,112,229.88	25.5%
<b>Total:</b>	<b>\$3,960,987,128.13</b>	<b>\$ 4,094,978,529.92</b>	

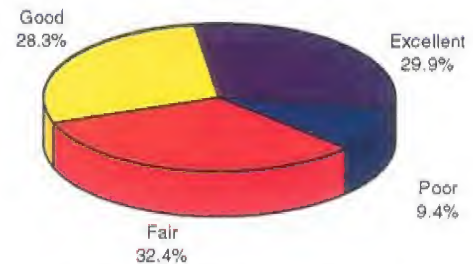
## Outcomes

Illinois Exports



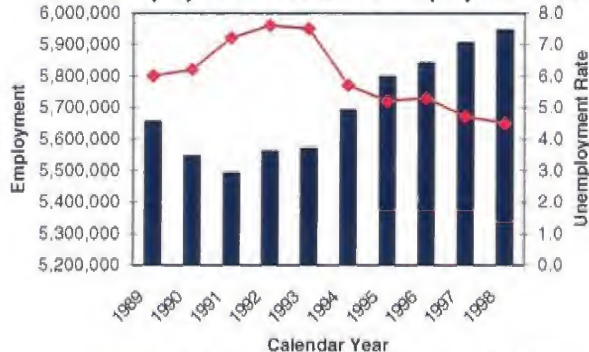
Source: U.S. Census Bureau.

Pavement Condition Ratings  
Fiscal Year 1999



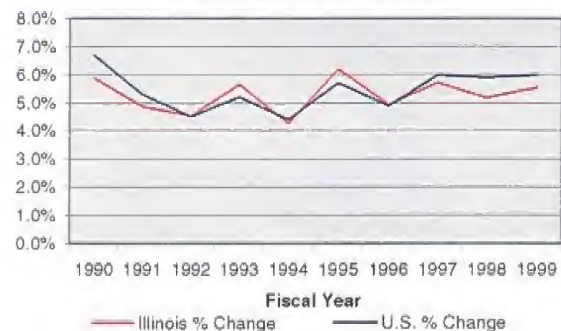
Source: Illinois Department of Transportation.

Illinois Employment Level and Unemployment Rate



Source: Illinois Department of Employment Security.

Personal Income Growth



Source: Bureau of Economic Analysis.



## ECONOMIC DEVELOPMENT AND INFRASTRUCTURE: DEPARTMENT OF AGRICULTURE

---

### *Mission and Organization*

The mission of the Illinois Department of Agriculture is to be an advocate for Illinois' agriculture industry and provide necessary regulations and programs in support of agricultural growth, and consumer and environmental protection. The major responsibilities of the Department include regulating Illinois' agribusiness entities to protect both producers and consumers of raw and processed agriculture products from mislabeled, contaminated or diseased agriculture commodities. In addition, the Department protects Illinois' soil and water resources from erosion, sedimentation and contamination through regulatory activities and financial incentives. Finally, the Department promotes the agricultural industry by marketing Illinois agricultural products in both foreign and domestic markets, conducting state fairs, and by providing grant assistance to county fairs and 4-H Clubs.

### *Discussion of Indicators*

#### *Meat & Poultry Inspection*

The federal government early in this century instituted the inspection of meat and poultry slaughter and processing plants. The federal government licenses and inspects plants throughout the country, but states may also operate inspection programs with the approval and oversight of the U.S. Department of Agriculture's Food Safety Inspection Service (FSIS). State programs are required to maintain standards that are equal to or stricter than federal standards. To ensure that states maintain an "equal to" status, FSIS conducts regular, comprehensive reviews of each state program.

Illinois contains both federal and state licensed plants. Federal law gives federally licensed plants the privilege of shipping product across state borders, while state-licensed plants are restricted to intrastate shipment only. With over 300 licensed establishments, Illinois' meat and poultry inspection program is the third largest in the country.

As the outcome measures indicate, Illinois establishments have a 98 percent compliance rate with meat and poultry handling laws and rules. Those facilities with deficiencies are quickly identified and must make immediate corrections. Food safety in State inspected

facilities is further evidenced by the extremely low percentage of unsafe meat detected relative to the large number of samples taken.

#### *Environmental Programs*

The Department's Bureau of Environmental Programs administers many statutes and associated rules intended to protect and enhance the State's natural resources while ensuring agriculture producers have the tools needed to remain economically viable. The bureau's primary responsibilities range from pesticide applicator/operator training, certification and licensing, economic poison registration, agrichemical and lawncare facility containment, pesticide container recycling and unwanted pesticide collection/disposal, to nursery inspection and livestock facilities management.

The outcome indicators demonstrate a high degree of industry compliance thereby requiring relatively little enforcement action. The bureau strives to ensure that its regulations are clear, consistently enforced, and communicated to the regulated community through many outreach initiatives. In addition, the bureau has had no enforcement actions overturned by the courts for the reporting period, which indicates that strong documentary evidence is obtained before bringing such actions. The final outcome indicator, the average time to issue a regulatory license in days, is a new measure the bureau will report in fiscal year 2000. This measure is an important gauge as to how quickly the bureau can provide an approval to do business for those entities that meet the rules and regulations of the State of Illinois.



### Meat and Poultry Inspection

**Mission Statement** Inspect meat and poultry processing operations in order to protect public health and ensure consumer confidence in Illinois meat products.

- Program Goals**
- 1) Provide safe and high quality meat in Illinois.
  - 2) Ensure regulatory compliant meat and poultry slaughter and processing industry.
  - 3) Provide professional, consistent, efficient and fair implementation of requirements.
  - 4) Provide comprehensive, consistent and clear requirements, policies and procedures.

	<i>Fiscal Year 1998 Actual</i>	<i>Fiscal Year 1999 Target</i>	<i>Fiscal Year 1999 Actual</i>
<b><u>Outcome Indicators</u></b>			
Instances of Unsafe Meat Products from State Licensed Plants as a Percentage of Samples Taken	0.1 %	0.1 %	0.1 %
Percent of meat and poultry operations initially rated compliant with standards.	96.8 %	98.0 %	98.0 %
<b><u>Output Indicators</u></b>			
Number of Planned Compliance Reviews	1,400	1,500	1,500
Number of Inspector Training Classroom Hours	2,528	8,800	8,800
Number of Inspected Plants	330	330	330
Number of Inspection Tasks Performed	265,555	201,526	201,526
Number of Critical Deficiencies Found	1,126	479	479
<b><u>Efficiency/Cost-Effectiveness</u></b>			
Average Number of Plants Covered by Each Inspector	2.3	2.3	2.3
Average Number of Dollars Expended per Plant	\$19,729	\$20,018	\$20,018
<b><u>Input Indicators</u></b>			
Number of Personnel	141	141	141
Expenditures	\$6,510,700	\$6,606,000	\$6,606,000

#### **Explanatory Information**

Twenty-three states have intrastate meat and poultry inspection programs that meet federal program requirements and receive federal funding. Illinois has the third largest number of inspected plants (330), after Texas (415) and Wisconsin (355).

### Environmental Programs

**Mission Statement** To license, register and inspect agri-business and producers in order to protect the public and the State's natural resources.

- Program Goals**
- 1) Improve environmental health. Maintain regulatory compliant agri-business and production industry.
  - 2) Provide comprehensive, consistent and clear requirements, policies and procedures.
  - 3) Provide compliance assistance and timely issuance of licenses.

	<i>Fiscal Year 1998 Actual</i>	<i>Fiscal Year 1999 Target</i>	<i>Fiscal Year 1999 Actual</i>
<b><u>Outcome Indicators</u></b>			
Average time in days to issue a regulatory license	N/A	N/A	N/A
Percentage of enforcement actions overturned by the courts	0.0 %	0.0 %	0.0 %
Percentage of lawncare and agrichemical sites subject to enforcement actions	0.8 %	0.9 %	0.9 %
<b><u>Output Indicators</u></b>			
Acres of nursery inspected	38,148	38,300	38,300
Pesticide licenses issued	25,846	21,789	21,789
Pesticide products registered	11,100	11,280	11,280
Number of lawncare and agrichemical sites regulated	1,682	1,980	1,980
<b><u>Efficiency/Cost-Effectiveness</u></b>			
Number of inspections per inspector	387	401	401
Average number of dollars expended per inspection	\$350	\$372	\$372
<b><u>Input Indicators</u></b>			
Expenditures	\$3,390,300	\$3,371,600	\$3,371,600
Number of Personnel	53	53	53

#### **Explanatory Information**

Information regarding the average number of days to issue a regulatory license is not available as that information will be documented beginning in fiscal year 2000.

Aggrichemical and lawncare facilities refer to retail, bulk, pesticide, and fertilizer storage and handling facilities.



## **ECONOMIC DEVELOPMENT AND INFRASTRUCTURE: DEPARTMENT OF COMMERCE AND COMMUNITY AFFAIRS**

---

### ***Mission and Organization***

The Illinois Department of Commerce and Community Affairs is the lead state agency responsible for improving the competitiveness of Illinois in the global economy resulting in prosperous, growing industries, rising real incomes, and high quality jobs. The Department provides information, assistance and advocacy to facilitate and advance the economic development process in partnership with Illinois' communities, businesses and our network of public and private service providers.

DCCA assists in enhancing Illinois' economic competitiveness by providing technical and financial assistance to help attract and retain businesses and jobs, increase efficiency of local governments, and improve the quality of life enjoyed by workers and families.

To accomplish this task, DCCA underscores Illinois' position as the nation's transportation hub, manufacturing center and fourth-largest technology economy; actively promotes the state's healthy business climate, highly productive workforce and entrepreneurial spirit; and accentuates its appeal to travelers from around the globe. To bolster the economy, DCCA assists local governments with their management and infrastructure needs, encourages the use of coal and alternative energy resources, promotes recycling, and coordinates state and federal programs to provide economic opportunities to low-income residents.

### ***Discussion of Indicators***

#### **Market Development**

Market Development activities are a major focus for DCCA's Bureau of Business Development. Specialists work directly with businesses, site selection consultants, corporate and industrial real estate brokers and others to assist existing Illinois businesses in expanding and attracting new business and jobs to the state. In particular, these staff focus on attracting and retaining businesses that support or augment industries already doing business in Illinois. During fiscal year 1999, DCCA's Market Development staff fielded 483 requests for information on communities and available sites and buildings, handled 887 requests for information about business location, and provided technical

assistance to 2,906 clients seeking information on programs and services that might enhance their business opportunities in Illinois. These contacts, in part, helped 28 businesses decide to expand their operations in Illinois, resulted in four businesses choosing to retain existing Illinois operations, and induced 76 businesses to locate their business operations in Illinois. In total, these businesses created 6,069 new jobs, retained 12,186 jobs, and invested \$1.176 billion in Illinois — a return of \$41 in investment for each public dollar spent.

#### **Job Training Partnership Act**

Skilled workers are one of Illinois' most important assets when businesses seek to locate or expand operations. Among its programs designed to enhance the quality of the Illinois workforce, DCCA administers the federally funded Job Training Partnership Act (JTPA), which assists disadvantaged workers, youths and dislocated workers in finding new jobs and/or training for productive careers. During fiscal year 1999, 10,960 adults, 3,778 adult welfare recipients, 3,755 youths, and 17,958 dislocated workers enrolled in Illinois' JTPA programs. A survey taken 13 weeks after their termination from the program found that of the 6,350 adults who terminated from the program, 4,311 (67.9 percent) secured employment at an average weekly wage of \$339; of the 2,580 welfare recipients terminating from the program, 1,705 secured employment earning an average weekly wage of \$300; and of the 7,366 dislocated workers terminating from the program, 5,861 (80.8 percent) secured employment in positions earning an average of \$12.14 per hour. Of the 2,106 youths terminating from the program, 1,038 secured employment, and 986 gained skills that will enhance their employability.

#### **Small Business Development Center Network**

Ninety-nine percent of all firms in Illinois are small businesses. DCCA is committed to helping entrepreneurs start new small businesses and grow existing businesses. The First-Stop Business Information Center is the starting point, providing entrepreneurs with basic information ranging from a business start-up guide to licensing and regulation information. During fiscal year 1999, First-Stop staff handled 11,628 inquiries, with 87 percent of customers who returned surveys reporting savings in time and/or dollars. DCCA helps small businesses comply with the



---

federal Clean Air Act Amendments through its Office of Environmental Assistance, which provided information to 5,590 clients during fiscal year 1999. The Illinois Small Business Development Center Network (ISBDCN) offers access to business support services, including Small Business Development Centers (SBDCs), providing management, marketing and financial counseling; and Procurement Technical Assistance Centers (PTACs), helping entrepreneurs successfully enter the government contracting marketplace. During fiscal year 1999, the SBDC Network counseled 10,170 clients, assisting them to access \$86.5 million in capital, start 356 businesses, expand 303 businesses and create or retain 4,842 jobs. PTAC clients secured \$286.8 million in contracts, enabling them to create or retain 1,752 jobs.

#### ***Tourism and Films***

DCCA manages programs designed to expand the Tourism and Film industries in Illinois. The Bureau of Tourism administers an extensive advertising and marketing campaign to promote Illinois destinations that during calendar year 1998 helped attract 1.7 million foreign visitors who spent \$1.6 billion in the state. In fiscal year 1999, tourism information was provided to 889,884 inquirers who wrote, called DCCA's tourism hotline or visited its Web site, with 58 percent of those inquiring during the peak travel months choosing to travel in Illinois. Approximately 1.43 million travelers consulted travel counselors at Illinois Welcome Centers, with 12,380 making reservations to stay in Illinois. The Bureau also funds local tourism marketing and promotional activities and tourism development efforts in a partnership aimed at attracting more visitors to their areas of Illinois. During fiscal year 1999, DCCA provided 213 loans and grants to local tourism organizations and others to market their areas and enhance tourism opportunities. DCCA's Illinois Film Office works to attract television and film production to Illinois. The Office provided information to 263 film and/or television projects during fiscal year 1999. Fifty-one projects were actually shot in Illinois, pumping \$127.9 million into the state's economy and creating 17,769 part-time jobs for Illinois workers.

#### ***Low Income Home Energy Assistance Program***

DCCA works to better the quality of life for low-income Illinoisans through programs such as the Low-Income Home Energy Assistance Program (LIHEAP), which helps qualified residents pay a portion of winter energy costs. During fiscal year 1999, local administering agencies took in 260,996 applications for assistance. Of those, 227,296 benefited from payments offsetting a portion of their winter heating costs, 14,074 received payments enabling them to reconnect to previously disconnected energy resources, and 1,957 received assistance in repairing or replacing heating systems. The average household received \$379 in benefits, reducing its average winter energy burden by about 50 percent and helping ensure that these citizens can afford to live in decent, safe, housing.

# Job Training Partnership Act

**Mission Statement** To develop a skilled and adaptive workforce.

- Program Goals**
- 1) Increase the skills of the existing workforce.
  - 2) Assist disadvantaged youths and adults in entering the workforce.
  - 3) Assist dislocated workers in re-entering the workforce.

	<i>Fiscal Year</i> <i>1998 Actual</i>	<i>Fiscal Year</i> <i>1999 Target</i>	<i>Fiscal Year</i> <i>1999 Actual</i>
<b><u>Outcome Indicators</u></b>			
Adults Employed at Follow-up	3,973	4,311	4,311
Adult Weekly Earnings at Follow-up - Total	\$1,278,984	\$1,461,429	\$1,461,429
Adult Welfare Employed at Follow-up	1,353	1,705	1,705
Adult Welfare Weekly Earnings at Follow-up - Total	\$405,900	\$511,500	\$511,500
Youth Employability Enhanced	1,222	986	986
Youth Employed at Follow-up	1,457	1,038	1,038
Dislocated Workers Entered Employment	6,479	5,861	5,861
<b><u>Output Indicators</u></b>			
Adult Participants	12,113	10,960	10,960
Adult Welfare Participants	4,598	3,778	3,778
Youth Participants	4,601	3,755	3,755
Dislocated Worker Participants	20,920	17,958	17,958
Adult Terminees	5,991	6,350	6,350
Adult Welfare Terminees	2,158	2,580	2,580
Youth Terminees	2,969	2,106	2,106
Dislocated Worker Terminees	8,026	7,366	7,366
<b><u>Efficiency/Cost-Effectiveness</u></b>			
Adult Average Weekly Earnings at Follow-up	\$322	\$339	\$339
Adult Employment Rate at Follow-up	66.3 %	67.9 %	67.9 %
Adult Welfare Average Weekly Earnings at Follow-up	\$300	\$300	\$300
Adult Welfare Employment Rate at Follow-up	62.7 %	66.2 %	66.2 %
Youth Entered Employment Rate	57.8 %	56.8 %	56.8 %
Dislocated Worker Average Hourly Wage at Placement	\$11.03	\$12.14	\$12.14
Dislocated Workers Entered Employment Rate	82.3 %	80.8 %	80.8 %
<b><u>Input Indicators</u></b>			
Funding (thousands)	\$132,126.4	\$114,122.7	\$114,122.7
Headcount	79	78	78

## Explanatory Information

**Participant** - An individual determined eligible to participate in and who is receiving services under a program authorized by the Job Training Partnership Act (JTPA).

**Terminee** - A participant who has been separated from and no longer receives services under a program authorized by JTPA.

**Dislocated Worker** - An individual determined eligible to receive services under JTPA because of termination/layoff or notice of such action or is experiencing long term unemployment or unemployment resulting from general economic conditions and has limited opportunity for employment.



### Small Business Development: Small Business Network

**Mission Statement** Provide advocacy, business assistance, training and information resources to help entrepreneurs, small companies, and our partners enhance their competitiveness in a global economy.

**Program Goals**

- 1) Increase the number of Illinois producers and suppliers taking advantage of commercial and public markets for Illinois products
- 2) Facilitate access to capital for business starts, growth and expansion.
- 3) Retain current producers and suppliers in Illinois.
- 4) Fill strategic gaps among the state's producers and suppliers base.
- 5) Facilitate the creation of new jobs and retain existing jobs in the producer and supplier base.

	<i>Fiscal Year</i> <i>1998 Actual</i>	<i>Fiscal Year</i> <i>1999 Target</i>	<i>Fiscal Year</i> <i>1999 Actual</i>
<b><u>Outcome Indicators</u></b>			
PTAC Contracts Secured (millions)	\$241.2	\$250.0	\$286.8
PTAC Jobs Created/Retained	2,602	2,300	1,752
SBDC Business Expansions Assisted	286	400	303
SBDC Capital Accessed/Financing Secured (millions)	\$54.0	\$62.0	\$86.5
SBDC Jobs Created/Retained	5,074	3,902	4,842
SBDC New Business Starts Assisted	438	425	356
<b><u>Output Indicators</u></b>			
SBDC Number of Clients Trained	13,573	13,750	13,108
PTAC Businesses (Clients) Counseled	1,174	1,200	1,189
SBDC Businesses (Clients) Counseled	8,995	9,250	8,981
Environmental Asst. Inquiries Handled	3,249	4,500	5,590
First Stop Inquiries Handled	11,442	12,500	11,628
<b><u>Efficiency/Cost-Effectiveness</u></b>			
Percent of businesses assisted by First Stop Business Center which reported Time/Dollar Savings	93.0 %	90.0 %	87.0 %
<b><u>Input Indicators</u></b>			
Funding (thousands)	\$4,970.2	\$5,801.5	\$5,801.5
Headcount	32.0	37.5	37.5

### **Explanatory Information**

The Small Business Development Center Network includes: The Small Business Development Centers - SBDC; The Procurement Technical Assistance Centers - PTAC; The First Stop Business Information Center; and The Office of Environmental Assistance.



# Market Development

**Mission Statement** To assist existing Illinois businesses in expanding their markets and to fill strategic gaps in core producers and linkages between producers and suppliers in Illinois.

**Program Goals**

- 1) Increase the number of commercial and public markets for Illinois products.
- 2) Increase the number of core producers linked to Illinois suppliers.
- 3) Retain current producers and suppliers in Illinois.
- 4) Fill strategic gaps in the states current producer and supplier base.
- 5) Fill strategic gaps with industries that support current producers and suppliers in Illinois.

	<i>Fiscal Year</i> <i>1998 Actual</i>	<i>Fiscal Year</i> <i>1999 Target</i>	<i>Fiscal Year</i> <i>1999 Actual</i>
<b><u>Outcome Indicators</u></b>			
Jobs Created	11,075	6,069	6,069
Jobs Retained	19,010	12,186	12,186
Private Investment Stimulated (millions)	\$1,657	\$1,176	\$1,176
Public Investment (millions)	\$107	\$29	\$29
<b><u>Output Indicators</u></b>			
Technical Assistance Consultations	5,271	2,906	2,906
Sites and Building Inquiries	831	483	483
Information Inquiries Handled (Business Requests)	1,556	887	887
Business Retentions Assisted	14	4	4
Business Expansions Assisted	51	28	28
Qualified Prospects Locating In Illinois	155	76	76
<b><u>Efficiency/Cost-Effectiveness</u></b>			
Win Rate (Conversion Ratio)	31 %	17 %	17 %
Private Investment Leveraged for Each Public Dollar Invested	\$15	\$41	\$41
<b><u>Input Indicators</u></b>			
Funding (thousands)	\$2,007.7	\$2,391.3	\$2,391.3
Headcount	33	31.5	31.5

## Explanatory Information

Business Expansions are Illinois companies which increased their production or service capacity as a result of department assistance. Business Retentions are Illinois companies which stayed in business and/or were saved from moving their business out of Illinois. Private Investment Stimulated reflects the private investment made by companies in projects assisted by the department.

### Tourism Programs: Film Office

**Mission Statement** To leverage revenues and jobs for the benefit of the travel and film industry, state and local government, the state economy and the citizens of Illinois.

**Program Goals**

- 1) Increase the number of persons visiting the state.
- 2) Increase the amount of private sector dollars leveraged for tourism growth and expansion.
- 3) Increase the dollars generated from international travelers visiting Illinois.
- 4) Maintain or expand the number of jobs directly related to film and television production in Illinois.
- 5) Increase the amount of revenue generated from film and television productions shot in the state.

	<i>Fiscal Year 1998 Actual</i>	<i>Fiscal Year 1999 Target</i>	<i>Fiscal Year 1999 Actual</i>
<b><u>Outcome Indicators</u></b>			
Cash expenditures made in Illinois by Film/Television Production Companies (millions)	\$92.7	\$127.9	\$127.9
Film/Television Jobs Created/Retained	17,714.0	17,714.0	17,769.0
Film/Television Productions Shot	62.0	40.0	51.0
International Travel Expenditures (millions)	\$1,581.9	\$1,613.5	N/A
Leisure Travel Expenditures/Local Purchases (millions)	\$152.0	\$161.1	N/A
Private Investment Stimulated (millions)	\$19.6	\$21.0	\$23.0
<b><u>Output Indicators</u></b>			
Presentations/Speeches Given	482	735	735
Heritage Training Contacts/Individuals Trained	956	430	430
Tourism Loans/Grants Awarded	202	210	213
International Arrivals Visiting Illinois (millions)	2	2	N/A
Tourist/Traveler Inquiry Fulfillment	657,493	800,000	889,884
Volume at Welcome Centers (millions)	1	1	1
Reservations Made at Welcome Centers	9,449	10,500	12,380
Number of Film/Television Projects Consulted	292	300	263
<b><u>Efficiency/Cost-Effectiveness</u></b>			
Percent of Callers Traveling in Illinois	51.5 %	58.0 %	58.0 %
Film Conversion Rate	21.2 %	13.3 %	19.4 %
<b><u>Input Indicators</u></b>			
Funding (thousands)	\$35,091.5	\$39,284.5	\$39,284.5
Headcount	28	28	28

### **Explanatory Information**

Calendar 1999 data for International Arrivals Visiting Illinois (in millions), Leisure Travel Expenditures/Local Purchases (millions) and International Travelers Expenditures (in millions), will not be available until January 2000.

### Low Income Home Energy Assistance Program (LIHEAP)

**Mission Statement** To assist the local social infrastructure in addressing the basic health and safety needs of residents by providing timely access to resources to assist low-income households to meet the high cost of home energy.

**Program Goals** Assist the local social infrastructure to: (1) reconnect households to energy supply; (2) provide direct payment of energy costs, or (3) repair/replace heating systems.

	<i>Fiscal Year 1998 Actual</i>	<i>Fiscal Year 1999 Target</i>	<i>Fiscal Year 1999 Actual</i>
<b><u>Outcome Indicators</u></b>			
Reduction in Average Winter Energy Burden (percent)	40.0 %	50.0 %	50.0 %
<b><u>Output Indicators</u></b>			
Applications Taken	244,993	275,000	260,996
Households Receiving Cash/Vendor Payment	210,303	244,000	227,296
Households Reconnected (Emergency Service Payments)	16,898	17,000	14,074
Households Heating Systems Repaired/Replaced	777	2,000	1,957
Households Assisted (Unduplicated Count)	210,303	249,000	227,468
<b><u>Efficiency/Cost-Effectiveness</u></b>			
Average Benefit per Household	\$283	\$375	\$379
Average Cost per Household Assisted	\$338	\$460	\$462
<b><u>Input Indicators</u></b>			
Funding (thousands)	\$71,189.9	\$114,501.1	\$105,170.1
Headcount	30	30	30

### **Explanatory Information**

The energy assistance program is geared to households that have incomes up to 125 percent of the federal poverty guidelines. Benefits are provided directly to the household gas or electric utility or delivered fuel dealer for households that heat with fuel oil or propane.



## ECONOMIC DEVELOPMENT AND INFRASTRUCTURE: DEPARTMENT OF EMPLOYMENT SECURITY

---

### *Mission and Organization*

The mission of the Illinois Department of Employment Security (IDES) is to support economic stability in Illinois by administering the Unemployment Insurance (UI), Employment Service (ES) and Labor Market Information (LMI) Programs. IDES provides temporary income in the form of benefit payments to eligible workers; collects taxes from covered employers to finance these benefits; operates a labor exchange service that matches employers' job openings with qualified job seekers; and collects, analyzes and disseminates labor market information. In fiscal year 1999, the Department collected \$1.16 billion in employer taxes and paid \$1.15 billion in benefits to unemployed workers, including former Federal employees and ex-military personnel.

The Department's staff of 2,000 are located in a Central Office (Chicago), six regional offices, and in 55 offices situated throughout the state. Funding for IDES is provided by the U.S. Department of Labor.

### *Discussion of Indicators*

Since the Unemployment Insurance program is intended to be an income stabilizer, the alacrity in which payments are made is crucial. The processing of a claim can be complex, and includes the resolution of issues affecting eligibility. In fiscal year 1999, the percentage of first payments effected within 21 days increased to over 95 percent (under Illinois law, the first week of unemployment is considered a "waiting week", for which benefits are not payable).

The promptness of payments on a continuing basis is similarly critical to providing economic stability. IDES recently implemented a system which enables UI claimants to file biweekly certifications by telephone, and the percentage of continued payments made within 14 days rose to 96.6 percent.

The costs associated with processing major activities continue to decline, in part attributable to efficiencies dictated by constantly declining federal resources.

The Employment Service (ES) program is IDES' labor exchange system which serves both employers

and job seekers by filling employers' job vacancies with qualified workers and decreasing the length of unemployment for job seekers. Through cooperation with other state agencies and community organizations, ES assists clients in accessing training, employability development services and other needed supportive services to realize their employment goals. The development of a soon-to-be implemented Skills Based Matching system is intended to better match individuals with specific employer needs. IDES expects the system to better accommodate the needs of more technical and professional clientele, and make significant outreach into higher paying jobs.

Labor Market Information (LMI) is collected, analyzed and distributed by IDES for use by employers and public and private sector organizations in planning and training and economic development programs. LMI is also developed into products that can be used by students and job seekers in choosing careers and vocational training. LMI will be expected to play a pivotal role in the federally legislated Workforce Investment Act, scheduled for mandatory implementation on July 1, 2000.



### Unemployment Insurance

**Mission Statement** To support economic stability in Illinois by administering the Unemployment Insurance (UI), Employment Service (ES) and Labor Market Information (LMI) Programs.

**Program Goals** 1) Ensure at least 87 percent of first payments are made within 14/21 days of date of claim (Secretary of Labor Standard)  
2) Ensure minimum 92 percent of continued payments are made within 14 days.

	<i>Fiscal Year 1998 Actual</i>	<i>Fiscal Year 1999 Target</i>	<i>Fiscal Year 1999 Actual</i>
<b><u>Outcome Indicators</u></b>			
% 1st Payments within 14/21 days	94.6 %	N/A	95.1 %
% Continued Payments within 14 days	95.8 %	N/A	96.6 %
<b><u>External Benchmarks</u></b>			
National % 1st Payments within 14/21 days	93.5 %	N/A	93.5 %
National Continued Payments within 14 days	93.0 %	N/A	93.0 %
<b><u>Output Indicators</u></b>			
Initial (First) Claims Filed	412,365	N/A	410,468
Continued Weeks Claimed	5,843,717	N/A	5,595,874
Employer Reports Received	986,325	N/A	1,024,533
<b><u>Efficiency/Cost-Effectiveness</u></b>			
Cost per Claim Processed	\$254.17	N/A	\$253.37
Cost per Employer Report Processed	\$106.26	N/A	\$101.51
<b><u>Input Indicators</u></b>			
Expenditures	\$104,811,678	N/A	\$103,549,488
Headcount	1,347	N/A	1,353
<b><u>Explanatory Information</u></b>			

Unemployment Insurance includes state (UI), Ex-servicemembers (UCX), Federal Employees (UCFE) and Interstate Liab.

### Labor Market Information

**Mission Statement** To support economic stability in Illinois by administering the Unemployment Insurance (UI), Employment Service (ES) and Labor Market Information (LMI) Programs.

**Program Goals** Increase awareness of Labor Market Information (LMI) and how LMI can assist individuals in making informed career decisions and obtaining meaningful employment.

	<i>Fiscal Year 1998 Actual</i>	<i>Fiscal Year 1999 Target</i>	<i>Fiscal Year 1999 Actual</i>
<b><u>Outcome Indicators</u></b>			
Number of users (career and job counselors) receiving LMI orientation	1,200	N/A	1,500
<b><u>Output Indicators</u></b>			
Provide LMI training/orientation to Ill. Organizations (groups)	39	N/A	50
<b><u>Efficiency/Cost-Effectiveness</u></b>			
Cost of individual trained	\$15.60	N/A	\$15.17
<b><u>Input Indicators</u></b>			
Expenditures	\$2,782,500	N/A	\$2,986,000
Headcount	36	N/A	35
<b><u>Explanatory Information</u></b>			

Funding sources include Wagner-Peyser, Bureau of Labor Statistics, Education-to-Careers and others. Cost effectiveness influenced by mileage and space rental.

# Employment Service

**Mission Statement** To support economic stability in Illinois by administering the Unemployment Insurance (UI), Employment Service (ES) and Labor Market Information (LMI) Programs.

**Program Goals**

- 1) Increase job orders and openings received.
- 2) Increase number of individuals who find employment.
- 3) Increase average wage for workers entering employment.

	<i>Fiscal Year 1998 Actual</i>	<i>Fiscal Year 1999 Target</i>	<i>Fiscal Year 1999 Actual</i>
<b><u>Outcome Indicators</u></b>			
% Applicants Entering Employment	19.4 %	N/A	24.8 %
Average Hourly Wage of Openings Filled	\$7.15	N/A	\$7.56
<b><u>External Benchmarks</u></b>			
National % Applicants Entering Employment	18.4 %	N/A	N/A
<b><u>Output Indicators</u></b>			
Job Orders Received	54,284	N/A	52,706
Job Openings Received	140,632	N/A	126,189
Entered Employments	121,476	N/A	144,356
Total Applicants	627,320	N/A	581,290
<b><u>Efficiency/Cost-Effectiveness</u></b>			
Average Cost of Entered Employment	\$316.77	N/A	\$262.36
<b><u>Input Indicators</u></b>			
Expenditures	\$38,479,900	N/A	\$37,873,058
Headcount	610	N/A	619

## Explanatory Information

Funding sources include Wagner-Peyser, Trade Adjustment Assistance and Veteran's grants.  
Output Indicators are influenced by the economy.



# ECONOMIC DEVELOPMENT AND INFRASTRUCTURE: DEPARTMENT OF TRANSPORTATION

## *Mission and Organization*

The Department of Transportation's mission is to manage a professional work force in support of the best transportation system within available resources to meet the needs of the public, to protect the environment, and to sustain and enhance the Illinois economy.

More than 80 percent of the state's transportation-related resources are directed to maintenance and improvement of the Illinois state highway system, among the most extensive in the nation. The Department is responsible for nearly 17,000 highway miles, including more than 2,000 miles of Interstate highways and nearly 8,000 bridges.

The Department's primary goals for the state's highway program include:

- Preservation and improvement of the highway system to make it the safest and most efficient for motorists.

- Professional and courteous, service-oriented performance by Department workers.

- Respect for concerns about the environment and quality of life throughout Illinois in planning constructing and maintaining the highway system.

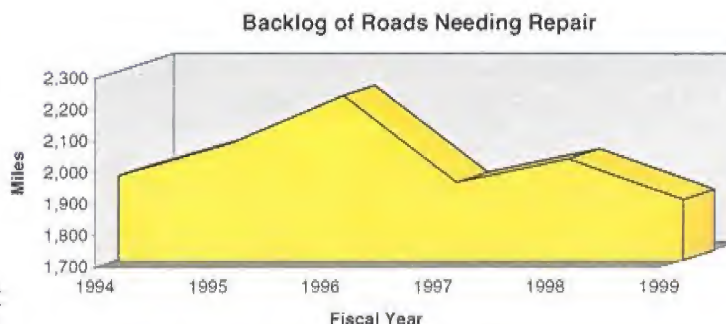
- The use of innovative procedures and technologies to provide for high-quality facilities while reducing long-term costs to users.

In fiscal year 1999, the Department employed about 6,500 full-time workers, reflecting a reduction since fiscal year 1991 of about 1,000 workers, a 13 percent decrease. The Department's last major revenue increase in 1989 funded a transportation improvement program that kept pace with repair needs through 1996. The Department through the 1990s implemented numerous cost-cutting measures to make best use of available revenues, including the attrition of workers and a variety of technical and procedural efficiencies. These changes enabled the Department to stretch existing revenues to meet repair needs and provide for a number of new construction projects after 1996.

## *Discussion of Indicators*

The Department's outcome indicators for its highway construction and maintenance activities focus on utilization of available resources to improve and maintain the state's highways and bridges. IDOT accomplished 88 percent of the state system share of its fiscal year 1998 program primarily because a significant amount of federal funding was delayed to fiscal year 1999 following passage of a new federal highway reauthorization act. The Department accomplished 102 percent of the state share of the fiscal year 1999 program.

The Department's success in improving state roads and bridges, despite the budget pressures of the late 1990s, is indicated by the miles of roads and the number of bridges rated in satisfactory condition (and, conversely, the roads and bridges in need of repair). In fiscal year 1999, 14,582 road miles and 7,008 bridges were rated satisfactory, leaving a repair backlog of 1,893 road miles and 881 bridges. The Department's historical goal has been to hold backlogs to no more than 2,400 road miles and 850 bridges.



Source: Illinois Department of Transportation.

The Department's utilization of highway construction funds can be measured against national averages by comparing Illinois' capital highway investment per vehicle mile traveled (VMT), investment per gallon of fuel consumed, and investment per registered vehicle to the comparable U.S. figures. In fiscal year 1999, Illinois invested 0.9 cents per VMT compared to the national average of 1.2 cents in fiscal year 1997, the latest U.S. figure available. The state invested 15.7 cents per gallon of fuel consumed in Illinois in fiscal year 1999 compared to 19.6 cents nationally in 1997. And, Illinois invested \$107 per registered vehicle in fiscal year 1999, compared to \$130 nationally in 1997.



---

The Department's roadway maintenance outcome indicators focus on lane miles maintained and the percentage of Illinois roads rated fair, good or excellent through use of the state's Condition Rating Survey and a computer model estimate of deterioration. This rating system, unique in the United States, takes into account factors such as pavement roughness, rutting and faulting, and incorporates predominant pavement distresses. The computer model takes into account the surface type, geographical area, presence of cracking, and the type of last resurfacing. The weighted rating average for all state highways in fiscal year 1998 was 6.4 on a scale of 9.0, placing the overall system in the "good" descriptive category. The weighted average for Illinois' Interstate highways alone was 6.9.

The Department's maintenance operations include such services as pothole patching, snow removal, mowing and rest area maintenance. The Department maintained 42,328 lane miles of highways in fiscal year 1999. The overall cost of state maintenance per lane mile was \$2,879 in fiscal year 1999 compared to the most recent fifteen-year average in Illinois, \$3,070. Cost differences from year to year are due in large part to changing weather conditions.

In addition to keeping highways in good repair, the Department promotes highway safety through programs which provide extra enforcement, awareness

and educational activities to encourage safe driving and the use of seat belts and child safety seats, and to discourage driving under the influence of alcohol and drugs. The Department tabulates hundreds of thousands of reports each year from state and local law enforcement agencies to analyze and report on overall traffic safety in Illinois. Three key indicators are the fatal crash rate per 100 million vehicle miles traveled (VMT), the overall fatality rate, and the alcohol-related fatality rate. The Illinois fatal crash rate for CY1998 was 1.2, compared to the U.S. rate of 1.46 in 1997, the latest national figure available. The Illinois fatality rate for calendar year 1998 was 1.4, compared to 1.64 nationally. The Illinois alcohol-related fatality rate in calendar year 1998 was 0.47, compared to 0.63 nationally.

These statistics and the numbers of fatal crashes and fatalities in each category generally indicate a trend of improved traffic safety in Illinois through the 1990s, and fatal crash and fatality rates generally lower than the U.S. average. This trend of improved safety is even more remarkable considering the 20.7 percent increase in Illinois vehicle miles traveled from 1990 through 1998, the 7.1 percent increase in Illinois licensed drivers and the 9.7 percent increase in Illinois registered vehicles for the same period.

# Highway Construction Program

**Mission Statement** To provide and manage a professional work force in support of the best highway system within available resources to meet the needs of the public and to sustain and enhance the environment and economic climate of Illinois.

**Program Goals**

- 1) Preservation and improvement of the highway system to make it the safest and most efficient in the nation.
- 2) To provide professional, courteous and service-oriented performance.
- 3) To respect concerns for the environment and quality of life throughout Illinois in planning, constructing and maintaining the highway system.

	<i>Fiscal Year 1998 Actual</i>	<i>Fiscal Year 1999 Target</i>	<i>Fiscal Year 1999 Actual</i>
<b><u>Outcome Indicators</u></b>			
Average life in years -- 1st paving overlay (1996 U of I study, most recent available)	13.80	N/A	N/A
Average life in years -- 2nd paving overlay (based on 1996 U of I study, most recent available)	11.80	N/A	N/A
Average life in years -- new pavement (based on 1996 U of I study most recent available)	23.50	N/A	N/A
Miles of roads in satisfactory condition	14,454	14,237	14,582
Miles of roads needing repair (backlog)	2,021	2,238	1,893
Number of bridges in satisfactory condition	6,802	6,898	7,008
Number of bridges needing repair (backlog)	1,067	991	881
Percentage of annual program accomplished	88 %	100 %	102 %
<b><u>Output Indicators:</u></b>			
Private sector construction jobs created/retained	17,760	22,176	22,704
Miles of pavement maintained/improved	701	807	1,128
Number of bridges maintained/improved	315	313	380
Highway safety improvements accomplished	152	174	145
<b><u>Efficiency/Cost-Effectiveness</u></b>			
Construction investment per Illinois vehicle mile traveled (VMT)	0.75 ¢	0.9 ¢	0.9 ¢
Construction investment per lane mile of state highway (Ill.)	\$17,535	\$21,895	\$22,417
Construction investment per gallon of fuel consumed in Illinois	12.4 ¢	15.3 ¢	15.7 ¢
Construction investment per registered Illinois vehicle	\$86	\$106	\$107
<b><u>External Benchmarks</u></b>			
Construction investment per VMT (U.S. 1997, most recent available)	1.2 ¢	N/A	N/A
Construction investment per state-controlled lane mile (U.S. 1997)	\$22,500	N/A	N/A
Construction investment per gallon of fuel consumed (U.S. 1997)	19.6 ¢	N/A	N/A
Construction investment per registered vehicle (U.S. 1997)	\$130	N/A	N/A
Average life in years -- pavement overlays in Illinois (based on 1989 U of I study)	11.9	N/A	N/A
<b><u>Input Indicators</u></b>			
Overall expenditures (thousands)	\$935,194	\$1,028,713	\$1,035,326
State construction program (thousands)	\$740,000	\$924,000	\$946,000
Numbers of personnel	2,971	3,189	3,123
Funds allotted to preservation/modernization	96 %	98 %	98 %
Funds allotted to new construction/add lanes	4 %	2 %	2 %
<b><u>Explanatory Information</u></b>			

U.S. road construction capital funds (state/fed. projects, total, 1997) \$27 billion.

U.S. vehicle miles traveled (VMT)(1997) 2,240 billion. U.S. lane miles, state-controlled (1997) 1.2 million. Motor fuel used in U.S. (1997) 137.2 billion gallons. Registered vehicles in U.S. (1997) 207.7 million.

Illinois vehicle miles traveled, 98.73 billion (1998); 100.97 billion (1999). Illinois-controlled lane miles, 42,200. Motor fuel used in Illinois, 5.93 billion (1998); 6.02 billion (1999). Registered vehicles in Illinois, 8.6 million (1998); 8.86 million (1999). Illinois-controlled bridges, 7,889 (1999).



# Roadway Maintenance/Repair

**Mission Statement** To provide and manage a professional work force in support of the best highway system within available resources to meet the needs of the public and to sustain and enhance the environment and in support of the Illinois economy.

**Program Goals**

- 1) To use innovative procedures and technologies to provide for high-quality facilities while reducing long-term costs to taxpayers.
- 2) To preserve and improve the highway system to make it the safest and most efficient in the nation for motorists.

	<i>Fiscal Year 1998 Actual</i>	<i>Fiscal Year 1999 Target</i>	<i>Fiscal Year 1999 Actual</i>
<b><u>Outcome Indicators</u></b>			
Number of lane miles of pavement maintained (FY99 target represents 5-year average)	42,070	42,090	42,328
Percent of bridges rated "fair to excellent"	86 %	87 %	89 %
Percent of roads rated "fair to excellent"	90 %	91 %	91 %
<b><u>Output Indicators:</u></b>			
Tons of asphalt applied for pavement repair (FY99 target represents 5-year average)	28,034	29,321	29,145
Tons of road salt applied (snow removal) (FY99 target represents 5-year average)	376,300	434,000	426,200
Acres mowed (FY99 target represents 5-year average)	187,930	194,120	210,330
<b><u>Efficiency/Cost-Effectiveness</u></b>			
Roadway maintenance cost per lane mile (FY99 target represents 15-year average)	\$2,538	\$3,070	\$2,879
Total snow removal cost per labor hour (FY99 target represent most recent 5-year average)	\$52.62	\$56.12	\$54.46
Mowing cost per labor hour (FY99 target represents 5-year average)	\$29.41	\$30.61	\$30.02
Full-time permanent / total snow removal workers	53.3 %	53.0 %	53.1 %
<b><u>Input Indicators</u></b>			
Total repair/maintenance expenditures (thousands) (FY99 target represents 5-year average)	\$275,554	\$289,331	\$287,262
Roadway maintenance expenditures (thousands)(FY99 target represents 5-year average)	\$106,773	\$129,216	\$121,852
Snow removal expenditures (thousands)(FY99 target represents 5-year average)	\$26,736	\$32,680	\$34,231
Mowing expenditures (thousands)(FY99 target represents 5-year average)	\$8,045	\$7,620	\$9,041
Overall personnel	3,075	3,247	3,072
Full-time snow removal personnel	1,792	1,800	1,804
Overall snow removal personnel	3,365	3,396	3,395
Labor hours (pavement repair) (FY99 target represents 5-year average)	895,943	888,834	855,094
Labor hours (snow removal)(FY99 target represents 5-year average)	508,000	582,300	628,500
Labor hours (mowing) (FY99 target represents 5-year average)	273,513	247,600	301,121

## Explanatory Information

Labor cost per total cost for pavement repair: FY98, 58.58%; FY99, 58.45%; 5-year avg., 58.36%. Labor cost per total cost for snow removal: FY98, 37.33%; FY99, 40.91%; 5-year avg., 42.7%. Labor cost per total cost for mowing: FY98, 64.78%; FY99, 63.67%; 5-year average, 69.04%.



# Traffic Safety

**Mission Statement** To provide Illinois motorists the safest possible highway environment by concentrating available resources to promote the reduction of traffic fatalities, injuries and crashes.

**Program Goals**

- 1) To analyze traffic safety data to help ensure awareness and enhanced safety to motorists in the future.
- 2) Professional, courteous and service-oriented performance.
- 3) Coordination with industry and professional associations to develop standards, specifications and policies to provide safe and cost-effective transportation facilities for users across Illinois.

	<i>Fiscal Year 1998 Actual</i>	<i>Fiscal Year 1999 Target</i>	<i>Fiscal Year 1999 Actual</i>
<b><u>Outcome Indicators</u></b>			
Alcohol-related fatalities (CY97,CY98)	457	N/A	474
Alcohol-related fatality rate per 100 million VMT (CY97,CY98)	0.46	N/A	0.47
Fatal crash rate per 100 million vehicle miles traveled (VMT)(CY97,CY9)	1.30	N/A	1.20
Fatal crashes (CY97,CY98)	1,261	N/A	1,241
Fatalities (CY97,CY98)	1,397	N/A	1,393
Overall fatality rate per 100 million VMT (CY97,CY98)	1.40	N/A	1.40
<b><u>External Benchmarks</u></b>			
Alcohol-related fatality rate per 100 million VMT (U.S. 1997, latest year available)	0.63	N/A	N/A
Fatal crash rate per 100 million VMT (U.S. 1997, latest available)	1.46	N/A	N/A
Fatality rate per 100 million VMT (U.S. 1997, latest year available)	1.64	N/A	N/A
<b><u>Output Indicators:</u></b>			
Safety awareness activities accomplished	200	230	250
DUI awareness/educational activities accomplished	125	135	140
Traffic safety reports analyzed/processed (thousands)	1,300	1,350	1,360
<b><u>Efficiency/Cost-Effectiveness</u></b>			
10-year decrease in annual fatal crashes (CY97,CY98)	-284	N/A	-304
10-year percentage decrease in annual fatal crashes (CY97,CY98)	-18.4 %	N/A	-19.7 %
10-year decrease in annual fatalities (CY97,CY98)	-351	N/A	-355
10-year percentage decrease in annual fatalities (CY97,CY98)	-20.1 %	N/A	-20.3 %
10-year decrease in alcohol-related fatal crashes (CY97,CY98)	-157	N/A	-152
10-year percentage decrease in alcohol-related fatal crashes (CY97,CY98)	-28.0 %	N/A	-27.1 %
10-year decrease in alcohol-related fatalities (CY97,CY98)	-202	N/A	-185
10-year percentage decrease in alcohol-related fatalities (CY97,CY98)	-30.7 %	N/A	-28.1 %
<b><u>Input Indicators</u></b>			
Traffic safety expenditures overall (thousands)	\$16,827	\$17,836	\$17,586
Driving-under-the-influence (DUI) expenditures (thousands)	2,100	2,300	2,323
Traffic safety personnel	178	195	190
<b><u>Explanatory Information</u></b>			
10-year increase in Illinois vehicles: CY97, 510,000, +6.3%; CY98, 770,000, +9.5 %.			
10-year increase in Illinois drivers: CY97, 580,000, +8%; CY98, 600,000, +8.3%.			
10-year increase in Illinois vehicle miles traveled (VMT): CY97, 17.15 billion, +21%; CY98, 19.4 billion, +23.8%.			

## GOVERNMENT SERVICES

### *An Introduction to Government Services*

Government services consist primarily of those organizations that support the agencies that provide goods and services to the citizens of Illinois. The group can be broken down into four general areas: revenue generating agencies, financial service agencies, administrative agencies, and policy-making agencies. Significant revenue-generating agencies include the Departments of the Lottery and Revenue. Primary financial management agencies are the Comptroller, Treasurer, Bureau of the Budget, and Auditor General. Key agencies that provide central administrative support to state government include the Department of Central Management Services, the Capital Development Board, and the State Retirement Systems. State policy-making agencies include the

Office of the Governor, Attorney General, and the legislative and judicial agencies. Other government service agencies are the Secretary of State and Board of Elections.

Although the activities of government service agencies tend to be unnoticed by the public, the support they provide to other government agencies plays a key role in determining if these agencies are adequately staffed, have access to the latest communication and data processing tools, and generate the management information needed to make informed policy decisions about their programs. The SEA review of government service agencies indicates they are taking advantage of the information processing revolution to increasingly automate their services.

### *Inputs*

Agency	FY1998 Expenditures	FY1999 Expenditures	% Change
Office of the Governor	\$7,663,297.73	\$8,400,675.03	9.6%
Office of the Lieutenant Governor	2,459,466.91	2,550,985.25	3.7%
Office of the Attorney General	46,558,800.38	51,386,239.09	10.4%
Office of the Secretary of State	438,536,411.22	464,401,984.20	5.9%
Office of the State Comptroller <sup>(1)</sup>	3,937,873,190.08	7,809,317,540.63	98.3%
Office of the State Treasurer	934,835,786.32	1,014,245,306.85	8.5%
Supreme Court and Judicial Agencies	294,478,659.56	320,382,027.35	8.8%
Legislative Agencies	71,629,187.44	75,345,532.31	5.2%
Bureau of the Budget	403,478,124.71	231,104,466.59	-42.7%
Capital Development Board	213,796,659.37	358,842,920.37	67.8%
Dept. of Central Mgmt. Services	1,895,340,844.51	2,070,331,983.34	9.2%
Civil Service Commission	353,098.11	375,894.09	6.5%
Court of Claims	27,718,776.56	35,380,493.35	27.6%
Educational Labor Relations Board	1,427,608.07	1,811,775.23	26.9%
State & Local Labor Relations Board	1,713,492.93	1,788,821.06	4.4%
Dept. of Lottery	482,476,864.07	515,588,187.69	6.9%
Property Tax Appeal Board	2,973,947.00	2,411,144.27	-18.9%
Teacher's Retirement System	1,739,462,612.89	1,923,363,154.75	10.6%
State Employees' Retirement System	427,387,605.42	467,706,429.55	9.4%
State Univ. Retirement System	201,624,000.00	218,843,817.88	8.5%
Dept. of Revenue	5,116,984,582.59	6,002,615,587.20	17.3%
State Board of Elections	5,709,911.47	7,653,908.37	34.0%
<b>Total:</b>	<b>\$16,254,482,927.34</b>	<b>\$21,583,848,874.45</b>	<b>32.8%</b>

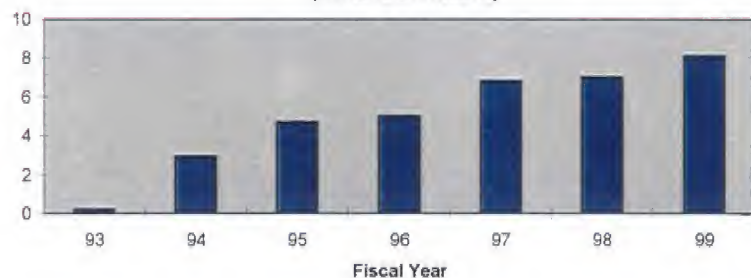
<sup>(1)</sup> Reflects an increase in payments from the Commercial Consolidation Fund (used to consolidate electronic fund payments) from \$955 million in fiscal year 1998 to \$4.9 billion in fiscal year 1999.



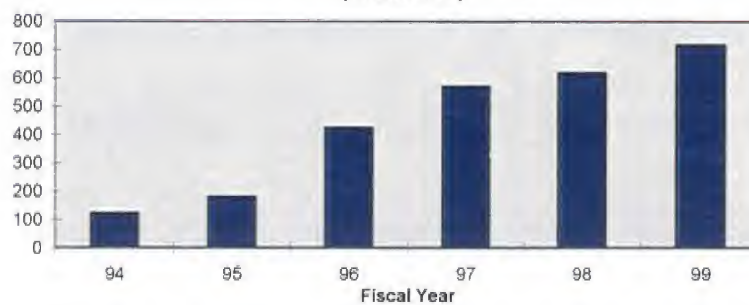
## Outcomes



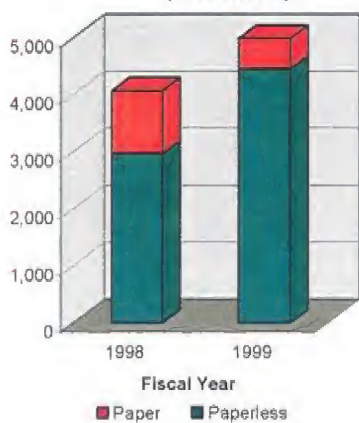
Department of Revenue  
Electronic Funds Transfer Deposits  
(Billions of Dollars)



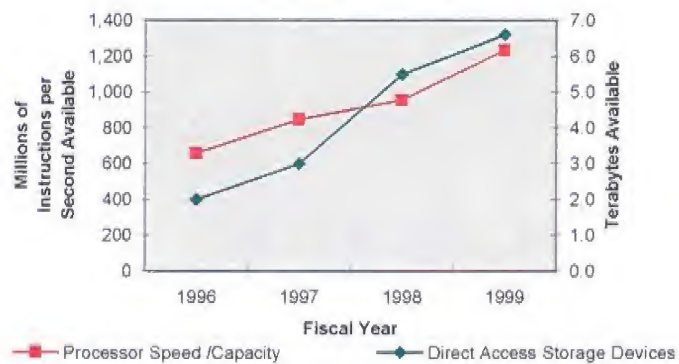
IL 1040's Filed Via Alternative Methods,  
Electronic and Phone  
(Thousands)



Commercial Vouchers Processed  
(Thousands)



CMS Mainframe Utilization





# GOVERNMENT SERVICES: OFFICE OF THE COMPTROLLER

---

## *Mission and Organization*

The Comptroller is the "Chief Fiscal Control Officer" for all of State government with responsibility for the "legal, efficient and effective" operations of State government. The Comptroller is charged with managing, maintaining and reporting on the financial accounts of the State and providing sound fiscal information to ensure public accountability.

To ensure that these legal mandates are accomplished, the Comptroller focuses efforts on two key programmatic areas: statewide financial management and governmental financial reporting. In addition, the Comptroller is charged with protecting the public interest in the cemetery care and burial trust industry. These programmatic areas cross departments and functional lines pulling together the resources necessary to fulfill the responsibilities of the office.

## *Discussion of Indicators*

### Statewide Financial Management Program

Fiscal year 1999 saw continuing efforts to enhance the Statewide Accounting Management System (SAMS) and expand electronic commerce. The total number of payments processed dropped slightly to 13,809,108 in fiscal year 1999 compared to 14,042,540 in fiscal year 1998. 9,168,888 Medical Assistance cards were also processed during fiscal year 1999 representing a reduction of just over 2 percent from fiscal year 1998.

The office saw a slight increase in the number of commercial vouchers processed but was able to keep the average number of days required for processing to 1.53. This short turn around time was due in part to continuing the process of encouraging agencies to submit voucher information on tape. In all, the number of these paperless commercial vouchers rose to 4,452,436 or 89.21 percent of the total commercial vouchers processed.

Electronic commerce continued on the increase with non-payroll related electronic fund transfers increasing to 4.3 percent of the total commercial transactions up from 1.8 percent the year before. Additionally, payroll related electronic fund transfers increased to 65.2 percent bringing Illinois closer to the average of 69.9 per-

cent reported in 20 other recently surveyed states.

The Comptroller's Office essentially completed all preparations to meet the millennium challenge. All computer systems designated as "critical" were 100 percent Y2K compliant by June 30, 1999, while all other systems were 91 percent compliant by that date.

### Governmental Financial Reporting Program

The Comptroller's Office again produced award winning financial reports. Both the Comprehensive Annual Financial Report (CAFR) and the Popular Annual Financial Report (PAFR) were recipients of awards given by the Government Finance Officers Association. The first comprehensive Statewide Service Efforts and Accomplishments Report was published incorporating performance information from 38 state agencies representing 37.2 percent of the total state budget.

As public and agency inquiries increased, so did the ease of accessing financial information through both direct contact and electronic means. The Records Center and Expenditure Analysis and Review Section (EARS) received nearly 107,000 inquiries during fiscal year 1999. Additionally, the Comptroller's Internet web site was accessed on average 30,749 times a day. Although the cost of processing a direct contact inquiry averaged \$6.75 per inquiry, the cost for accessing information electronically was negligible.

### Cemetery Care and Burial Trust Program

Due to intense public concern about cemetery management, the Comptroller's Office sought and received increased legal authority through passage of Public Act 91-7 to protect the public interest in the burial/interment services industry. Illinois became the first state to enact such a comprehensive consumer protection law.

Active licenses in fiscal year 1999 included 965 funeral homes, 871 cemeteries and 112 pre-need service providers of which an average of 78 percent met annual reporting requirements. Regulation of the cemetery care and burial trust industry included auditing 758 licensees and issuing 56 new licenses. Nearly 1,000 complaints were received by the office with 80 percent resolution under the office's current statutory authority.



## Statewide Financial Management

**Mission Statement** The mission of the statewide financial management program is to process and account for financial transactions for state government, payees and vendors in order to maintain a high degree of integrity over records and systems.

- Program Goals**
1. To ensure accuracy and timeliness of financial transactions for state government.
  2. To utilize available technologies to improve efficiencies and effectiveness.
  3. To ensure the integrity and security of the statewide accounting system.
  4. To oversee and manage fund levels and ensure availability of funds for priority expenditures.

	<i>Fiscal Year 1998 Actual</i>	<i>Fiscal Year 1999 Target</i>	<i>Fiscal Year 1999 Actual</i>
<b><u>Outcome Indicators</u></b>			
Average number of days to process commercial voucher	N/A	N/A	1.53
Customer satisfaction with technological services provided by Systems Administration Department <sup>(1)</sup>	N/A	N/A	3.58
Percentage of certified vendors on vendor file	81 %	83 %	84.57 %
Percentage of EFT transactions: non-payroll related:	1.8 %	N/A	4.3 %
Percentage of EFT transactions: payroll related	63.9 %	N/A	65.2 %
Percentage of increase in intercepted payments: amount	N/A	N/A	54.7 %
Percentage of increase in intercepted payments: number	N/A	N/A	45.6 %
Percentage of paperless commercial vouchers processed	72.9 %	N/A	89.21 %
Percentage of Y2K compliance - all other computer systems	N/A	75 %	91 %
Percentage of Y2K compliance - critical computer systems	N/A	100 %	100 %
<b><u>External Benchmarks</u></b>			
Average percent of EFT payroll transactions processed in 20 states surveyed by the Financial Electronic Data Interchange.	N/A	N/A	69.95 %
<b><u>Output Indicators</u></b>			
Public Aid medical cards processed	9,368,745	N/A	9,168,888
Total payments processed	14,042,540	N/A	13,809,108
Total vendors on vendor file	577,412	N/A	762,270
Vendors on vendor file that are certified	468,229	N/A	644,622
Total commercial vouchers processed	4,069,569	N/A	4,990,923
Paperless vouchers processed	2,966,734	N/A	4,452,436
Total number of intercepted payments <sup>(2)</sup>	81,481	N/A	118,666
Dollar amount of all intercepted payments <sup>(2)</sup>	\$9,423,744	N/A	\$14,579,826
<b><u>Efficiency/Cost-Effectiveness</u></b>			
Number of payment transactions processed per staff	59,502	N/A	58,266
Cost per payment transaction <sup>(3)</sup>	\$1.30	N/A	\$2.00
<b><u>Input Indicators</u></b>			
Budget expenditures <sup>(3)</sup> (millions)	\$18.3	N/A	\$27.7
Number of personnel	236	N/A	237
<b><u>Explanatory Information</u></b>			

<sup>(1)</sup> Customer satisfaction is based on a scale of 1-4 with 4 being high. Data compiled from Illinois Office of the Comptroller Performance Audit Report completed June 1999 by the Egan Urban Center at DePaul University.

<sup>(2)</sup> Intercepted payments are money redirected due to court orders, garnishments, collection processing, etc.

<sup>(3)</sup> Fiscal year 1999 budget expenditures include \$8.8m payoff of SAMS (Statewide Accounting Management System).

## Government Financial Reporting

<b>Mission Statement</b>	In order to ensure public accountability, the government financial reporting program provides reliable, accessible and comprehensive financial information to the general public and others with a financial interest in the State of Illinois.
<b>Program Goals</b>	<ol style="list-style-type: none"> <li>1. To ensure that users of the state's financial information are well informed by providing both fiscal and performance data.</li> <li>2. To ensure that local governments comply with reporting requirements in order to keep users informed.</li> </ol>

	<i>Fiscal Year</i> <i>1998 Actual</i>	<i>Fiscal Year</i> <i>1999 Target</i>	<i>Fiscal Year</i> <i>1999 Actual</i>
<b><u>Outcome Indicators</u></b>			
Customer satisfaction with CAFR <sup>(1)</sup>	N/A	N/A	3.30
Customer satisfaction with Fiscal Focus <sup>(1)</sup>	N/A	N/A	3.30
Customer satisfaction with various other reports <sup>(1)</sup>	N/A	N/A	3.40
Prior Year III CAFR received GFOA Certificate of Achievement for Excellence in Financial Reporting	Yes	N/A	Yes
Prior Year III PAFR received GFOA Certificate of Achievement for Outstanding Achievement in PAFR Reporting	Yes	N/A	Yes
Percentage of total state budget reflected in SEA report	N/A	N/A	37.2 %
<b><u>External Benchmarks</u></b>			
Other states receiving GFOA award for PAFR	4	N/A	3
Other states receiving GFOA award for CAFR <sup>(2)</sup>	39	N/A	N/A
<b><u>Output Indicators</u></b>			
Inquiries received by EARS	16,755	N/A	18,830
Inquiries received by Records Center	81,068	N/A	88,108
Number of major published reports	12	N/A	12
Total number of reports printed	N/A	N/A	14,737
Agencies participating in the SEA program	N/A	N/A	38
Daily average "Hits" on web* site <sup>(2)</sup>	N/A	N/A	30,749
<b><u>Efficiency/Cost-Effectiveness</u></b>			
Cost per electronic inquiry	0	N/A	0
Cost per Records Center inquiry	\$7.48	N/A	\$7.50
Cost per EARS inquiry	\$9.38	N/A	\$6.01
Inquiries per EARS staff	5,585	N/A	6,277
Inquiries per Records Center staff	4,503	N/A	4,895
<b><u>Input Indicators</u></b>			
Budget expenditures (millions)	\$3.6	N/A	\$3.6
Number of personnel	53	N/A	49
<b><u>Explanatory Information</u></b>			

<sup>(1)</sup> Customer satisfaction is based on a scale of 1-4 with 4 being high. Data compiled from Illinois Office of the Comptroller Performance Audit Report completed June, 1999 by the Egan Urban Center at DePaul University.

<sup>(2)</sup> The fiscal year 1998 report is under review at this time and awards will be announced at the end of 1999.

<sup>(3)</sup> Daily average based upon last quarter of fiscal year 1999. Data unavailable prior to that time.



## Cemetery Care and Burial Trust

**Mission Statement** The Cemetery Care and Burial Trust Program licenses, audits and regulates funeral homes and private, non-religious, non-fraternal cemeteries in order to protect the public from financial fraud and to ensure delivery of contracted services.

**Program Goals** 1) Through licensing and regulation, ensure that the funeral home and cemetery industries provide high quality service.  
2) To protect Cemetery Care and Burial Trust funds on behalf of the consumer.

	<i>Fiscal Year 1998 Actual</i>	<i>Fiscal Year 1999 Target</i>	<i>Fiscal Year 1999 Actual</i>
<b><u>Outcome Indicators</u></b>			
Cemeteries complying with annual reporting requirements	88 %	N/A	90 %
Cemetery complaints resolved <sup>(1)</sup>	N/A	N/A	720
Funeral home complaints resolved <sup>(1)</sup>	N/A	N/A	75
Funeral homes complying with annual reporting requirements	87 %	N/A	80 %
Late filing fees received from licensees	\$25,400	N/A	\$34,293
Pre-need licensees complying with annual reporting requirements	45 %	N/A	64 %
Total fees collected	\$194,765	N/A	\$254,080
<b><u>Output Indicators:</u></b>			
Licenses issued: funeral homes <sup>(2)</sup>	90	N/A	31
Licenses issued: cemeteries <sup>(2)</sup>	27	N/A	4
Licenses issued: pre-need	26	N/A	21
Audits conducted: funeral homes	555	N/A	504
Audits conducted: cemeteries	328	N/A	211
Audits conducted: pre-need	31	N/A	43
Complaints received: funeral homes <sup>(3)</sup>	N/A	N/A	125
Complaints received: cemeteries <sup>(3)</sup>	N/A	N/A	870
Cases prosecuted: funeral homes <sup>(4)</sup>	0	N/A	0
Cases prosecuted: cemeteries <sup>(4)</sup>	1	N/A	0
Number of licensed funeral homes	934	N/A	965
Funeral homes meeting annual reporting requirements	813	N/A	774
Number of licensed cemeteries	867	N/A	871
Cemeteries meeting annual reporting requirements	766	N/A	780
Number of pre-need licensees licensed	112	N/A	112
Pre-need licensees meeting annual reporting requirements	50	N/A	72
Consumer Protection: enact stronger consumer protection laws <sup>(5)</sup>	N/A	N/A	Yes
External Benchmarks: Other states having CCBT consumer protection laws as comprehensive as PA 91-7	0	N/A	0
<b><u>Efficiency/Cost-Effectiveness</u></b>			
Consumer inquiries per staff <sup>(6)</sup>	N/A	N/A	545
Audits per auditor <sup>(7)</sup>	101	N/A	84
<b><u>Input Indicators</u></b>			
Budget expenditures (millions)	\$1.8	N/A	\$1.9
Number of personnel	26	N/A	28
<b><u>Explanatory Information</u></b>			

<sup>(1)</sup> The numbers represented here indicate those complaints where the Comptroller's Office has done as much follow-up as it can under its statutory responsibilities.

<sup>(2)</sup> July 1, 1997, the Comptroller's Office began aggressively enforcing proper licensing of branches and relicensing when owners changed.

<sup>(3)</sup> This information was not tracked in fiscal year 1998. Fiscal year 1999 information is based on estimates from the consumer complaints unit. Number of complaints may include more than one complaint for a particular cemetery or funeral home.

<sup>(4)</sup> In fiscal year 1998, the funeral, cemetery and pre-need licenses of one cemetery were revoked. In other words, while 3 licenses were revoked, they were all for the same entity and it was one case.

<sup>(5)</sup> PA 91-7 was enacted for fiscal year 2000.

<sup>(6)</sup> These figures are an average based on an ESTIMATED 1,090 calls and two staff persons assigned to the complaints unit.

<sup>(7)</sup> Represents the AVERAGE number of audits, based on 914 audits completed in fiscal year 1998 and 9 field auditors, and 758 audits completed in fiscal year 1999 and 9 field auditors.



## GOVERNMENT SERVICES: CAPITAL DEVELOPMENT BOARD

---

### *Mission and Organization*

The Capital Development Board (CDB) serves as the construction management arm of Illinois government. CDB is responsible for overseeing the state-funded capital program and is the central agency dedicated to the professional supervision of the state's building construction and renovation projects.

Established in 1972 to organize and better manage the state's capital improvement program, the agency is under the guidance of a bi-partisan, seven-member board that deliberates matters of policy. The board members are confirmed by the Illinois Senate and serve four-year, unpaid terms. They are also charged with selecting an executive director, who is responsible for the daily operation and management of the agency. The CDB staff consists of approximately 175 professional men and women with experience in architecture, technical engineering services, construction law, space and building programming, and administration.

CDB carries some 1,100 active projects on its books annually. The total value of those projects is just more than \$2 billion in new and reappropriated funds. The agency's projects are located statewide and range in size and scope from the construction of a new \$134 million Maximum-Security Prison in Thomson, to the renovation of a \$75,000 salt storage facility for the Illinois Department of Transportation.

CDB is also responsible for administering the State's \$2.5 billion school construction program, the identification and removal of asbestos in state facilities, serving as liaison between the State and Illinois' design and construction industries, and actively pursuing recovery of assets through litigation of projects found to have design and construction defects.

### *Discussion of Indicators*

The primary program that CDB reported was the construction administration program. A few of the main goals construction administration aims to achieve are to improve project quality and delivery, provide a pool of qualified Architect/Engineers (A/E) firms, negotiate fees, bid projects and make awards to the lowest responsible bidder. The construction administration

program also aims to ensure all contractual requirements of design and construction contracts are completed. The program tries to achieve each of these goals with a headcount of only 164 employees.

The other program that CDB reported was the school construction grant program. This program, which began in 1998, has a main goal (working from an entitled and prioritized list from the Illinois State Board of Education) to provide school construction grants up to the funding limits. The outcome indicator the school construction grant program is preparing is the average school district's satisfaction with the whole grant application and survey process. This measure would define the school districts' satisfaction with the services provided by the agency.

Some of the outcome measures for which CDB reported were the standardized average construction time and the standardized average design time. CDB's standardized average design time decreased from 2.93 months in fiscal year 1998 to 2.86 months in fiscal year 1999. Also the standardized average construction time decreased from 2.96 months in fiscal year 1998 to 2.03 months in fiscal year 1999. These standardized averages allow CDB to compare design performance regardless of project size or complexity. These measurements also take into consideration seasonal variations which are an important factor in the construction industry. The shorter average time has the dual benefit of making the project available for the ultimate user while at the same time being more cost effective for the taxpayer.

**Construction Administration**

**Mission Statement** CDB's mission is to provide quality services and facilitate the timely and successful development and completion of each of the state's construction and renovation projects.

- Program Goals**
1. Develop user agency capital project requests.
  2. Work with Bureau of Budget to develop agency capital budgets.
  3. Ensure all contractual requirements of design and construction contracts are completed.
  4. Maintain a pool of pre-qualified Architect/Engineer and contractor firms and maintain responsibility programs.
  5. Improve project quality and delivery.
  6. Select Architect/Engineer firms.
  7. Negotiate fees, bid projects and make awards to the lowest bidder.

	<i>Fiscal Year 1998 Actual</i>	<i>Fiscal Year 1999 Target</i>	<i>Fiscal Year 1999 Actual</i>
<b><u>Outcome Indicators</u></b>			
Average turn around time on negotiating A/E contracts (days)	117.5	92.6	92.6
Average turn around time to award a construction contract (days)	35.1	34.1	34.1
Construction quality (100 point scale)	73.3	N/A	N/A
Design Quality (100 point scale)	75.0	N/A	N/A
Standardized average construction time (months)	2.96	2.03	2.03
Standardized average design time (months)	2.93	2.86	2.86
<b><u>Output Indicators</u></b>			
Projects closed out	365	325	325
Contractors prequalified*	1,800	1,720	1,720
Capital budget requests considered	378	406	406
Architects/Engineers prequalified*	700	800	800
Design contracts awarded	308	277	277
Construction contracts awarded	517	592	592
Construction expenditures (thousands)	\$192,561	\$233,024.5	\$233,024.5
Capital budget project requests funded	113	161	161
Projects started	219	237	237
Projects substantially completed	245	270	270
<b><u>Efficiency/Cost-Effectiveness</u></b>			
Construction Expenditures/Head count (thousands)	\$1,174	\$1,420.8	\$1,420.8
Construction Expenditures/Program Cost	\$19.32	\$20.92	\$20.92
<b><u>Input Indicators</u></b>			
Number of Active Projects	1,065	1,117	1,117
Head Count	164	164	164
Capital Funding (New & Re-appropriated) (thousands)	\$1,134,716.6	\$1,313,854	\$1,313,854
Operations Budget (thousands)	\$9,966	\$11,137	\$11,137

**Explanatory Information**

The agency is reworking its strategic plan to convert from a calendar year to fiscal year plan. Process will be complete by the end of October.

\* Drops in annual activity are due to implementation of multi-year pre-qualification programs.



**School Construction Grants**

**Mission Statement** CDB's mission is to provide quality services and facilitate the timely and successful development and completion of each of the state's construction & renovation projects.

**Program Goals** Work from entitled and prioritized list provided by ISBE to provide school construction grants up to funding limits.

	<i>Fiscal Year 1998 Actual</i>	<i>Fiscal Year 1999 Target</i>	<i>Fiscal Year 1999 Actual</i>
<b><u>Outcome Indicators</u></b>			
Average school district satisfaction with the grant application & survey process*	N/A	N/A	N/A
<b><u>Output Indicators</u></b>			
Grant surveys performed	50	121	121
Number of grants made	6	74	74
Dollar amount of grants made (thousands)	\$30,000	\$327,000	\$327,000
<b><u>Efficiency/Cost-Effectiveness</u></b>			
Total grants/program cost	\$75	\$818	\$818
<b><u>Input Indicators</u></b>			
Program headcount	3	3	3
Operations budget	\$400,000	\$400,000	\$400,000
Grant funding (thousands)	\$357,000	\$794,100	\$794,100
Applications received	57	184	184
<b><u>Explanatory Information</u></b>			

\* The survey was recently completed and is expected to be mailed to schools in December.

## GOVERNMENT SERVICES: DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

---

### *Mission and Organization*

CMS provides a range of centralized support services to other state agencies to maximize efficiency, eliminate duplication, ensure compliance with laws and rules, and benefit from economies of scale. CMS procures goods and services, operates the state garages, maintains and secures specific state office buildings, provides electronic data processing, manages the state telecommunications network, administers the personnel system, disseminates state government information to the news media and the public, and manages the state employees benefits programs. To convey the scope and integrity of CMS work, five programs are highlighted here. They are: Employee Benefits; Risk Management; Communications and Computer Services; Property Management; and Vehicle Services.

### *Discussion of Indicators*

#### Employee Benefits

Employee Benefits encompasses benefit programs, deferred compensation and flexible spending programs. CMS administers the benefit program for state employees, retirees and their dependents. These benefits include health, dental, life and vision, as well as COBRA and Flexible Spending programs. COBRA assures continuation of health care benefits to employees and their dependents when they are no longer eligible for coverage. Flexible Spending allows medical and dependent care costs to be paid with pre-tax dollars pursuant to federal law. In fiscal year 1999, 60 percent of employees covered were enrolled in a Health Maintenance Organization (HMO) or a Point of Service (POS) plan. Cost containment initiatives have been instituted in all benefit options.

In addition to state employees, CMS administers three other plans' benefits. Units of local government and other eligible units, as defined by statute, may enroll in a self-insured risk pool to provide health, dental, and vision benefits for their employees, dependents and retirees. In fiscal year 1999, the number of new units participating in the Local Government Health Plan (LGHP) was 42 or an increase of 8 percent. Effective January 1, 1996, CMS was charged with administration of the Teachers' Retirement Insurance Program (TRIP), providing health benefit coverage for Teachers Retirement System annuitants, their dependents, and survivors. Effective July 1, 1999, CMS was charged

with administration of the College Insurance Program (CIP), providing health benefit coverage for retired public community college annuitants, their dependents, and survivors.

The state employees Deferred Compensation Plan is a supplemental retirement plan. An employee can defer up to \$8,000 or 25 percent of taxable gross income, whichever is less, each tax year. The goal is to maintain a quality plan that encourages participation. Thirty-six percent of eligible state employees participate. During fiscal year 1999, efforts to enroll more employees produced 4,045 new participants or 10 percent of the total.

#### Risk Management

Risk Management encompasses Insurance Procurement, Representation and Indemnification, Motor Vehicle Liability, and Workers' Compensation. The Representation and Indemnification program provides indemnification and legal representation to state employees who are sued for acts or omissions within the scope of their state employment. Management of the self-insured Motor Vehicle Liability Program includes investigation, evaluation, negotiation and settlement of motor vehicle liability claims involving state drivers and/or state owned vehicles.

Workers' Compensation is the largest risk management function. Workers' Compensation provides statutory benefits for state employees with work-related injury or illness. CMS adjudicates claims for all state agencies and universities with the exception of the University of Illinois, and the Departments of Corrections, Transportation, and Human Services. The objective is to provide prompt and equitable claims processing for eligible workers and to return them to productive work as safely and quickly as possible. In moving towards industry best practices and maximizing resources, all accepted medical cost containment techniques are in use. Rising costs do not result from claim volumes, which remain flat, but from medical cost inflation. The Preferred Provider Organization (PPO) networks are a cornerstone of cost containment. The success of the cost containment is measured directly by calculating savings as a percentage of medical costs. From fiscal year 1998 to fiscal year 1999, the percentage of savings has increased significantly.

The program target for fiscal year 1999 was to contain growth of Workers' Compensation costs to the relevant



---

inflation change, which was estimated to be an increase in liabilities of 3.3 percent. Actual liability increased by 6.6 percent. This is still substantially below the double-digit increases experienced earlier in the decade.

A new and state-of-the-art innovation involves linking data from the early intervention vendor to the bill processing vendor. The early intervention vendor maintains a 24-hour toll-free hotline for the reporting of work-related injuries. Part of this management involves the establishment of utilization limits, or the number of treatments acceptable given the nature of the injury. These limits are transferred daily to the vendor processing the workers' compensation medical bills. When established limits are exceeded, bills are denied. While savings shown are modest, \$12,000, the initiative was implemented late in fiscal year 1999.

#### **Communications and Computer Services**

Agencies utilize the Communications and Computer Services Program to help define their data processing and telecommunications needs and to implement solutions to meet those needs. The Program provides a complex array of communications and information processing services to state agencies.

As the accompanying statistics indicate, the Communications and Computer Services Program continues to grow dramatically in both the volume of service and the variety of services offered to user agencies. At the same time, levels of performance remain consistent and comparable to those in the private sector. Finally, the history of this program shows that rates for communications and information processing services have consistently decreased since the inception of the Program, while service offerings have expanded to keep pace with technology.

#### **Property Management**

The Bureau of Property Management administers leased space procurement for executive agencies. As of November 3, 1999, the Department of Central Management Services administered a lease portfolio of 784 leases representing 9,313,353 square feet and \$9,313,391 per month.

One of the most important program functions is the operation and maintenance of State-owned and/or managed facilities. Two of the largest facilities are located in Chicago, the James R. Thompson Center

(JRTC) and the State of Illinois Building (SOIB), housing more than 3,700 state employees and attracting more than 2.5 million visitors annually. The goal in maintaining the facilities is to provide service to both visitors and tenants. In order to assure that the needs of tenants are being met, work orders must be processed in a timely and efficient manner. In fiscal year 1998, 6,483 work orders were received at the JRTC, and 91 percent were completed and 6,708 work orders were received at the SOIB, and 96 percent were completed. In fiscal year 1999, the number of work orders increased by 583 for the JRTC and by 458 for the SOIB yet 91 percent were still completed at the JRTC and 97 percent at the SOIB.

#### **Vehicle Services**

The Division of Vehicles (DOV) provides fleet management services and oversight to over 12,600 vehicles. DOV is responsible for vehicle acquisition, maintenance, repair, parts and fuel. To accomplish this, the DOV operates 23 garages statewide, most of which are in close proximity to essential service agencies such as the Illinois Department of Transportation (IDOT) and Illinois State Police. DOV regularly performs analyses and comparisons to private sector rates, public sector rates, and to industry standards. For example, mechanic utilization is determined by comparing the time available to perform vehicle repairs to overall hours worked. When compared to other government fleets, DOV fares well above the median in a benchmarking study done by the National Association of Fleet Administrators.

Along with the state garages, DOV provides short-term vehicle rental at a centralized motor pool conveniently located in the State Capitol complex. For agencies with long term vehicle rental needs, the DOV offers a leasing program. At the motor pool and garages, DOV dispenses fuel to state agencies below retail prices and monitors AAA Chicago Motor Club fuel prices. The motor pool consists predominantly of alternative fuel vehicles to assist the State in complying with the Federal Energy Policy Act. DOV also offers fuel in areas where private sector vendors do not, which can be essential in providing diesel fuel for IDOT's fleet of snow removal vehicles. DOV is in the process of converting to automated fuel sites which will provide 24-hour fuel availability. Feedback received from agencies on motor pool services is overwhelmingly positive.



# Employee Benefits

**Mission Statement** The Employee Benefits Program is authorized by state statute to deliver cost-effective quality benefit programs to all State of Illinois employees, retirees, retired downstate teachers, retired community college employees, participating units of local government and all eligible dependents. To that end, the program provides benefit plans, flexible spending plans and deferred compensation.

- Program Goals**
1. Effectively administer the delivery of authorized types and levels of benefit programs.
  2. Manage resources through cost containment and operational efficiencies.
  3. Maintain a quality deferred compensation plan that encourages participation.

	<i>Fiscal Year 1998 Actual</i>	<i>Fiscal Year 1999 Target</i>	<i>Fiscal Year 1999 Actual</i>
<b><u>Outcome Indicators</u></b>			
% of members/benefit recipients in managed care	42.7 %	N/A	44.0 %
% of benefit recipients enrolled in Teachers' Retirement Insurance Plan	52.6 %	N/A	53.0 %
% of employees covered by the State Employees Group Insurance Program enrolled in Health Maintenance Organization (HMO) or Point of Service (POS) plan	58.0 %	N/A	60.0 %
% of negotiations resulting in contracts	90.5 %	N/A	90.6 %
Number of new participants in the deferred compensation plan	4,778	4,150	4,045
Number of new participants in the flexible spending plans	1,503	N/A	1,234
Number of new participating local government units	84	N/A	42
<b><u>External Benchmarks</u></b>			
Average % of state employees in the midwest covered by Health Maintenance Organization (HMO) or Point of Service (POS) plan <sup>(1)</sup>	53 %	N/A	N/A
Number of deferred compensation investments exceeding benchmark - 1 year rolling return (10 investment options were offered)	N/A	N/A	5
<b><u>Output Indicators</u></b>			
Number of members - State	178,915	N/A	181,998
Number of benefit recipients - Teacher's Retirement Insurance Plan	31,293	N/A	31,417
Number of benefit recipients - Community College Insurance Plan <sup>(2)</sup>	0	N/A	0
Number of members/benefit recipients in Indemnity Plan	127,166	N/A	126,893
Number of members/benefit recipients in Health Maintenance Organizations	87,934	N/A	91,831
Number of members/benefit recipients in Point of Service plans	6,857	N/A	8,056
Number of participants in deferred compensation	41,495	44,145	44,619
Number of participants in flexible spending plans	6,138	N/A	5,911
Number of participating local government units	474	N/A	558
Benefit contracts signed	507	N/A	509
<b><u>Efficiency/Cost-Effectiveness</u></b>			
Average benefit plans cost per member/benefit recipient	\$4,268	N/A	\$4,588
Number of plan members/benefit recipients per staff member	2,387	N/A	2,387
<b><u>Input Indicators</u></b>			
Expenditures	\$1,461,684,745	N/A	\$1,592,841,662
Number of eligible members <sup>(3)</sup> - State	178,915	N/A	181,998
Permanent Headcount	110	N/A	120
Number of eligible benefit recipients <sup>(4)</sup> - Teachers Retirement Insurance Plan	59,482	N/A	59,238
Number of employees eligible for deferred compensation plan	122,946	N/A	122,916
Number of employees eligible for flexible spending plans	122,946	N/A	122,916
Number of eligible local government units	6,000	N/A	6,000
Benefit contracts under negotiation	560	N/A	562
<b><u>Explanatory Information</u></b>			

<sup>(1)</sup> (1998 Survey of State Employee Health Benefit Plans conducted by the Segal Company) fiscal year 1999 percentage available in December, 1999.

<sup>(2)</sup> Numbers available beginning first quarter of fiscal year 2000. Community College Insurance Plan began with no enrollees in fiscal year 1999.

<sup>(3)</sup> Members include employees and retirees but not dependents.

<sup>(4)</sup> Benefit recipients include retirees but not dependents or employees.

# Risk Management

**Mission Statement** The Risk Management Program is authorized by state statute to minimize the State of Illinois' exposure to losses. To that end, the Program utilizes best industry practices and cost effective administration to manage the state's self-insured workers' compensation program, auto liability program, and state employee indemnity program, and to procure the most advantageous commercial insurance for all state property, casualty and liability exposure.

**Program Goals**

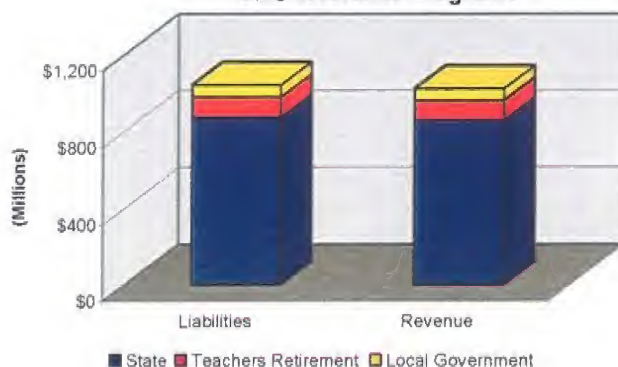
1. Continue cost containment programs to achieve industry "best practices" and to maximize resources.
2. Improve process of handling workers' compensation claims administration.
3. Improve operating efficiency of auto liability claims processing.

	Fiscal Year 1998 Actual	Fiscal Year 1999 Target	Fiscal Year 1999 Actual
<b>Outcome Indicators</b>			
% of change in total workers' compensation liabilities (in dollars)	-3.3 %	3.3 %	6.6 %
% of medical cost containment savings of total medical program cost	15.8 %	20.0 %	24.8 %
Savings due to utilization limits established by medical case management applied by medical bill review vendor <sup>(1)</sup>	0	N/A	\$12,023.33
<b>Output Indicators</b>			
Number of workers' compensation injuries reported	2,469	2,500	2,507
Number of motor vehicle liability cases reported	2,125	2,200	2,287
Number of claims for representation and indemnification of state employees	79	75	68
Number of subrogation recoveries <sup>(2)</sup>	100	110	134
<b>Efficiency/Cost-Effectiveness</b>			
% of workers' compensation medical spending provided within network	N/A	N/A	63.2 %
% of active on-site case management assignments with care plans submitted	N/A	N/A	94.3 %
<b>Input Indicators</b>			
Expenditures	\$27,912,461	N/A	\$24,657,489
Permanent Headcount	17	N/A	18
<b>Explanatory Information</b>			

<sup>(1)</sup> New initiative.

<sup>(2)</sup> Subrogation as it pertains to Workers' Compensation is: when an employee is injured during the course of work by a third party, Workers' Compensation is responsible for the claim. Workers' Compensation will then try to recover a portion of the expense from the third party's insurance.

CMS Insurance Programs





### Communications and Computer Services

**Mission Statement** The Communications and Computer Services Program is authorized by state statute and committed to procuring and providing state-of-the-art, reliable, cost-effective high quality telecommunications and computer services to state agencies. To that end, the Program maintains optimum accountability, professionalism and efficiency in the management and delivery of these services.

**Program Goals**

1. Establish, enhance and maintain the availability and performance of state-of-the-art information processing and storage capabilities in a cost-effective manner.
2. Efficiently manage and direct the procurement, installation and maintenance of state-of-the-art communications services for state agencies.

	<i>Fiscal Year 1998 Actual</i>	<i>Fiscal Year 1999 Target</i>	<i>Fiscal Year 1999 Actual</i>
<b><u>Outcome Indicators</u></b>			
% CPU (Mainframe) Transactions Completed within 1 Second	N/A	95.00 %	95.67 %
CPU System (Mainframe) Availability	99.5 %	99.5 %	99.5 %
Mean Time to Restore (MTTR) Service (Data Network 12 months rolling average)(hrs.mins)	3.03	3.00	3.09
Territory Centrex Monthly rate per line	\$16.50	N/A	\$14.00
<b><u>External Benchmarks</u></b>			
Ameritech Territory Centrex Monthly rate per line	N/A	N/A	\$23.00
Mainframe Application Availability - Industry goal is 98.0% to 99.5% <sup>(1)</sup>	N/A	98 %	N/A
Mainframe Transactions Completed within 2 Seconds <sup>(1)</sup>	95 %	N/A	95 %
Mean Time to Restore (MTTR) Service (Ameritech)(hrs.mins)	3.30	N/A	3.30
<b><u>Output Indicators</u></b>			
Number of Non-Local Phone Calls/Month	3,280,000	3,500,000	3,670,000
Number of Network Data Circuits Managed	5,261	6,000	6,321
Number Network Data Terminals Supported	42,308	45,000	45,250
Telecom Voice Orders (TSRs) Processed/Month	9,745	9,850	9,878
Number of Mainframe Users Supported (RACF and VM)	N/A	40,000	45,690
Millions of Instructions per Second (MIPS) Available	955	1,232	1,232
Terabytes of DASD Storage Available	5.5	6.6	6.6
Billed Central Processing Unit (CPU) Hours/Month (Processor hours)	2,204	2,500	2,766
Megabytes (MB) of DASD Billed/Month	3,251,467	3,500,000	3,500,000
<b><u>Efficiency/Cost-Effectiveness</u></b>			
Cost Per Unit of Mainframe Storage (per megabyte)	\$0.30	\$0.28	\$0.28
Cost Per CPU Hour	\$1,350	\$625	\$625
<b><u>Input Indicators</u></b>			
Expenditures	\$148,118,025	N/A	\$181,799,295
Permanent Headcount <sup>(2)</sup>	395	N/A	401
<b><u>Explanatory Information</u></b>			

<sup>(1)</sup> Per Gartner Group Research July, 1998 (RN: QA-05-2701).

<sup>(2)</sup> Fiscal year 1998 Permanent Headcount includes one on leave.

Abbreviations are TSR = Telephone Service Request; RACF = Resource Access Control Facility (security function); VM = Virtual Memory; and DASD = Direct Access Storage Device.



# Property Management

**Mission Statement** The Property Management Program is authorized by statute to provide, manage, operate, and oversee State of Illinois facilities, and real and personal property for state agencies. To that end, the Program secures by lease or purchase the daily operations of and public access to facilities by maintaining grounds, structures, utilities and environmental systems. The Program acquires and disposes of real and personal property through the surplus property programs in an efficient and cost effective manner.

- Program Goals**
1. Operate and maintain efficiently the State of Illinois facilities for which the Department of Central Management is responsible by statute.
  2. Process completely all paperwork required to complete tenant improvements for state agencies, boards and commissions who occupy leased space.
  3. Dispose of surplus real property for the State of Illinois.

	<i>Fiscal Year 1998 Actual</i>	<i>Fiscal Year 1999 Target</i>	<i>Fiscal Year 1999 Actual</i>
<b><u>Outcome Indicators</u></b>			
% of work orders completed at State of Illinois Building	96 %	N/A	97 %
% of work orders completed at Thompson Center	91 %	N/A	91 %
Increase/decrease in number of events scheduled between fiscal years	-41	N/A	-55
Number of work orders completed at State of Illinois Building	6,446	N/A	6,951
Number of work orders completed at Thompson Center	5,894	N/A	6,424
Number of work orders completed Chicago Medical Center	N/A	N/A	7,404
Number of work orders completed Giorgi Center	896	N/A	980
Number of work orders completed Rockford Regional Office Building	751	N/A	835
Number of work orders completed Suburban North Regional Office Building	N/A	N/A	826
<b><u>Output Indicators</u></b>			
Number of specials events scheduled.	357	N/A	302
Number of conference rooms scheduled for use	4,188	N/A	3,232
<b><u>Efficiency/Cost-Effectiveness</u></b>			
% of increase/decrease in special events scheduled between fiscal years	-11 %	N/A	-18 %
% of increase/decrease in conference rooms scheduled between fiscal years	-2 %	N/A	-23 %
Thompson Center building operating expenses (\$/sqft)	\$4.83	N/A	\$5.25
State of Illinois Building operating expenses (\$/sqft)	\$5.00	N/A	\$4.81
CMS downtown Chicago lease rates (\$/sqft)	N/A	N/A	\$15.76
<b><u>External Benchmarks</u></b>			
Building Owners and Managers Association (BOMA) downtown Chicago lease rates (calendar year 1998) (\$/sqft)	N/A	N/A	\$22.39
Building Owners and Managers Association (BOMA) downtown Chicago Building operating expenses (calendar year 1998) (\$/sqft)	N/A	N/A	\$4.89
<b><u>Input Indicators</u></b>			
Expenditures	\$22,025,163	N/A	\$22,951,981
Permanent Headcount	184	N/A	184
Number of work orders received Thompson Center	6,483	N/A	7,066
Number of work orders received State of Illinois Building	6,708	N/A	7,166
Number of conference rooms reservations received	4,499	N/A	3,503

### Vehicle Services

**Mission Statement** The Vehicle Services Program is authorized by statute and provides timely and cost efficient fleet management services to state agencies. To that end, the Program operates the statewide motor vehicle fuel and maintenance facilities and a centralized motor pool.

- Program Goals**
1. Provide fleet management services for the state fleet of vehicles.
  2. Provide repair service, maintenance, fuel, and parts for the state fleet of vehicles.
  3. Provide long-term and short-term vehicle leasing programs to state agencies.

	<i>Fiscal Year 1998 Actual</i>	<i>Fiscal Year 1999 Target</i>	<i>Fiscal Year 1999 Actual</i>
<b><u>Outcome Indicators</u></b>			
% of motor pool surveys indicating an "Excellent" rating	90.6 %	92.5 %	95.0 %
% productivity achieved by garage mechanics (actual time to complete a job compared to industry standard)	103.9 %	105.0 %	106.0 %
Average price per gallon gasohol sold by DOV	\$0.97	\$0.97	\$0.88
Short term car rental from DOV motor pool (2 days, 300 miles)	\$74	\$74	\$74
<b><u>Output Indicators</u></b>			
Total state garage billings	\$24,927,623	\$25,728,000	\$24,757,247
Gallons of gasohol sold	1,600,190	1,600,000	1,377,050
Number of long term leases	257	245	245
Number of daily motor pool rentals	10,405	9,400	9,600
<b><u>Efficiency/Cost-Effectiveness</u></b>			
% savings on short term car rentals - DOV motor pool vs. contract rate	13.3 %	13.3 %	13.3 %
Savings on gasohol purchased - DOV vs. outside vendors	\$100,993	\$100,000	\$67,529
% savings on short term car rentals - DOV motor pool vs. outside vendors (2 days, 300 miles)	39.7 %	40.0 %	41.8 %
% savings on short term car rentals - DOV motor pool vs. use of personal vehicle (2 days, 300 miles)	20.4 %	20.4 %	20.4 %
Mechanic utilization rate (% of time mechanics perform vehicle repairs vs. overall hours worked)	89.3 %	90.0 %	90.2 %
<b><u>External Benchmarks</u></b>			
AAA Chicago Motor Club average price/gallon unleaded fuel	\$1.03	N/A	\$0.93
Average cost for car rental at outside vendor in Springfield (2 days, 300 miles)(internal survey)	\$122.72	N/A	\$127.17
National Association of Fleet Administrators -- median mechanic utilization rate for public service fleets	66 %	N/A	66 %
<b><u>Input Indicators</u></b>			
Expenditures	\$30,081,808	N/A	\$29,939,180
Headcount	223	N/A	221
Number of vehicles managed in the state fleet	12,485	12,600	12,674
Number of state garage locations providing service	23	23	23



# GOVERNMENT SERVICES: DEPARTMENT OF LOTTERY

## Mission and Organization

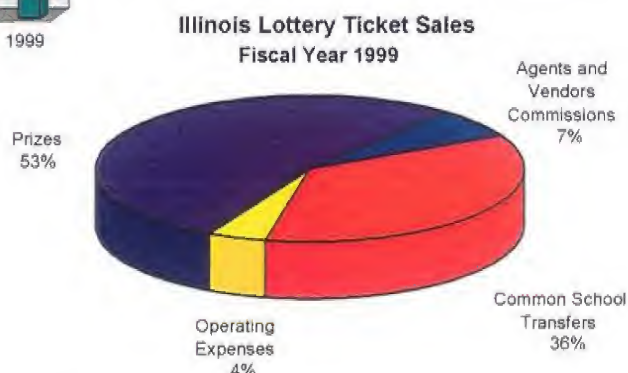
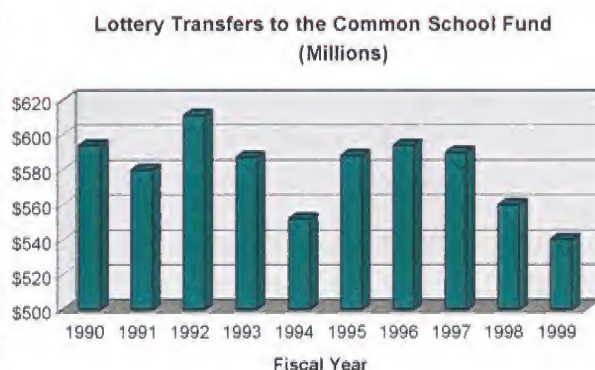
The Department of the Lottery's (Lottery) mission is to help generate revenue for education through the entertainment of lottery games. This is achieved through the sale of lottery tickets to individuals 18

years and older. All of the net proceeds from the operation of the Lottery are transferred directly to the Common School Fund for K-12 public schools in Illinois. In fiscal year 1999, the Lottery had ticket sales totaling \$1.524 billion and transferred \$540 million to the Common School Fund.

## Discussion of Indicators

In an environment of increasing competition for the disposable entertainment dollar, the Lottery offers a variety of lottery games for sale to achieve its goal of maintaining current sales levels and continuing the revenue stream to the Common School Fund. The Lottery is the fourth largest revenue generator in the State and has maintained a level of sales over \$1.5 billion in each of the last 10 years. To measure its efficiency, the Lottery tracks the expense of operations

and the transfers to the Common School Fund as a percentage of sales. During fiscal year 1999, the expense of operations (other operating expenses, excluding prizes, fees, and commissions) was \$65.1 million, which was only 4.3 percent of sales, making the Lottery one of the most cost-efficient governmental entities in Illinois. Also in fiscal year 1999, 35.4 percent of every dollar generated was transferred to the Common School Fund for K-12 education.



The Lottery is operated by 286 employees who are responsible for every aspect of the production, distribution, and sale of lottery tickets along with the identification, tracking and distribution of lottery winnings, operating revenues/expenses and transfers to the Common School Fund. In its 25 years of existence, the Lottery has generated more than \$9 billion for the State of Illinois.

### Department of Lottery

**Mission Statement** To help generate revenue for education through the entertainment of lottery games.

**Program Goals** Maintain sales of lottery tickets and the revenue stream to the Common School Fund.

#### Outcome Indicators

Monies transferred to the Common School Fund (millions)

Fiscal Year 1998 Actual	Fiscal Year 1999 Target	Fiscal Year 1999 Actual
\$560	\$540	\$540

#### Output Indicators

Ticket sales (millions)

Fiscal Year 1998 Actual	Fiscal Year 1999 Target	Fiscal Year 1999 Actual
\$1,577	\$1,528	\$1,524.4

#### Efficiency/Cost-Effectiveness

% of sales needed for Other Operating Expenses

Fiscal Year 1998 Actual	Fiscal Year 1999 Target	Fiscal Year 1999 Actual
3.8 %	4.4 %	4.3 %

% of sales transferred to the Common School Fund

Fiscal Year 1998 Actual	Fiscal Year 1999 Target	Fiscal Year 1999 Actual
35.5 %	35.3 %	35.4 %

#### Input Indicators

Expense of operations (millions)

Fiscal Year 1998 Actual	Fiscal Year 1999 Target	Fiscal Year 1999 Actual
\$60.3	\$68	\$65.1

Number of personnel

Fiscal Year 1998 Actual	Fiscal Year 1999 Target	Fiscal Year 1999 Actual
280	294	286



## GOVERNMENT SERVICES: DEPARTMENT OF REVENUE

---

### *Mission and Organization*

The Department of Revenue's primary function is to collect taxes and fees for the state and units of local government. In fiscal year 1999, the Department collected \$23.1 billion in tax and gaming revenues. The Department also has several ancillary functions, including: administering the tax relief and pharmaceutical assistance programs for the elderly and persons with disabilities; oversight of the property tax assessment system and equalization of the level of property tax assessments among Illinois counties; collection of delinquent child support on behalf of the Department of Public Aid; and regulation of riverboat casinos.

### *Discussion of Indicators*

The more efficiently the Department can collect taxes, the greater the portion of tax monies that will be available for state programs. Efficiency can be measured by the cost to the Department of collecting each \$1,000 in tax revenues. In fiscal year 1999, it cost \$6.15 to collect each \$1,000 in taxes. Collection costs have declined significantly. For example, in fiscal year 1989 the collection cost was approximately \$9.00 per \$1,000 in tax collections. An outcome of how well the Department collects tax dollars owed to the state is the percentage of identified tax receivables collected. In fiscal year 1999, 99.42 percent of sales tax receivables were collected by the Department.

Increased efficiency and service has been reflected in the expanded use of technology to work smarter. One example of how the Department has been taking advantage of new opportunities in automation to improve customer service and reduce processing is the program allowing individual income tax filers to file electronically, including via the Internet, or by telephone. The number of alternative filers has increased from 121,000 in fiscal year 1994 to more than 716,000 in fiscal year 1999.

Another area where automation has improved Department operations is in the time required to deposit tax revenues. More expeditious deposit of revenues makes tax payments available for investment and state services on a more timely basis. The average number of days to deposit tax revenue declined from 1.3 in fiscal year 1998 to 1.2 in fiscal year 1999. Electronic payment has played a key role in speeding

up the deposit schedule as the value of electronic funds transfers has soared from \$200 million in fiscal year 1993 to \$8.1 billion in fiscal year 1999.

Service is a paramount feature of the Department's efforts. In fiscal year 1999, 54 percent of respondents to the Department's annual tax practitioner survey indicated that overall services at the Department improved from the previous year. Issuing individual income tax refunds is a high profile, high volume process at the Department. The Department's cycle time associated with issuing refunds was an average of 30 days in fiscal year 1999. Level of access to toll-free telephone service is another indicator of taxpayer service. In fiscal year 1999, 47 percent of all toll-free phone calls were answered by the Department's call center.

Illinois has a 'voluntary' tax system, and most taxpayers comply willingly with the tax code. However, some taxpayers fail to pay taxes owed. This is unfair to honest taxpayers and threatens the integrity of the voluntary tax system. The role of the Department's enforcement activities is to address the delinquent tax issue. In fiscal year 1999, the delinquent tax collection function had a staff of 315 and direct operating expenses of \$15.9 million. The overall value of delinquent tax debt collected has more than doubled during the 1990s - from \$147.9 million in fiscal year 1991 to \$336.3 million in fiscal year 1999.

The Department tracks several measures of its performance in the collection of delinquent taxes. In fiscal year 1999, \$21.15 was collected in delinquent taxes for each direct dollar of collection costs. Another indicator is collections per person in the delinquent tax program. In fiscal year 1999 collections averaged \$1.1 million for each collections staff member.



### Taxpayer Account Processing

**Mission Statement** To ensure the prompt collection of state and local taxes; improve services that promote compliance; and apply fair, firm enforcement to those who do not comply.

**Program Goals** Improve effectiveness through increased efficiency.

	<i>Fiscal Year</i> <i>1998 Actual</i>	<i>Fiscal Year</i> <i>1999 Target</i>	<i>Fiscal Year</i> <i>1999 Actual</i>
<b><u>Outcome Indicators</u></b>			
Avg. number of days from receipt of payment until deposit	1.3	N/A	1.2
Avg. number of days to issue a refund	23.5	N/A	30.0
Percent of dollars deposited on same day as receipt	89 %	N/A	91 %
Percent of dollars received via (EFT) electronic funds transfer	32.9 %	35.24 %	35.3 %
Percent of Individual Income Tax returns filed electronically	11.4 %	12.8 %	12.6 %
<b><u>Output Indicators</u></b>			
Total number of taxes administered	72	72	72
Total tax collections (millions)	\$21,279.2	\$22,382.4	\$22,676.8
Number of Tax return documents processed	16,856,571	17,100,000	17,316,495
Total number of Individual Income Tax returns filed	5,404,670	5,550,000	5,699,948
Number of Individual Income Tax returns filed electronically	617,075	717,500	716,209
Total number of Individual Income Tax refunds issued	2,959,211	3,225,134	3,281,867
Total tax collections received via electronic funds transfer (EFT) (billions)	\$7.0	\$8.0	\$8.1
<b><u>Input Indicators</u></b>			
Operating expenses (thousands)	\$28,370.8	\$32,430.3	\$32,135.2
Number of personnel (includes full time staff & temporary employees on contract and on payroll)	811	823	850
<b><u>Explanatory Information</u></b>			

Taxpayer Account Processing includes the department's data capture and perfection, remittance processing, and taxpayer accounting processes. Input indicators reflect direct costs and do not include administrative/support expenses.

### Enforcement: Collection of Delinquent Tax Debt

**Mission Statement** To determine the liabilities due the department and pursue the collection of tax delinquencies of non-compliant taxpayers.

**Program Goals** Maximize compliance through fair enforcement.

	<i>Fiscal Year</i> <i>1998 Actual</i>	<i>Fiscal Year</i> <i>1999 Target</i>	<i>Fiscal Year</i> <i>1999 Actual</i>
<b><u>Outcome Indicators</u></b>			
Delinquent tax collections (millions)	\$360.1	\$311.0	\$336.3
<b><u>Output Indicators</u></b>			
Delinquent tax cases	N/A	N/A	229,048
<b><u>Efficiency/Cost-Effectiveness</u></b>			
Collections per staff (thousands)	\$1,122	\$978	\$1,068
Delinquent collections per enforcement-related dollar spent	\$22.99	\$19.38	\$21.15
<b><u>Input Indicators</u></b>			
Operating expenses (thousands)	\$15,662.0	\$16,047.2	\$15,901.3
Number of personnel (includes full time staff and temporary employees on contract and on payroll)	321	318	315
<b><u>Explanatory Information</u></b>			

Enforcement Collection of Delinquent Tax Debt includes the department's delinquent collection process. Input indicators reflect direct costs and do not include administrative/support expenses.

### Taxpayer Services and Taxpayer Registration

**Mission Statement** To help taxpayers comply with tax laws by educating them regarding their tax responsibilities, providing them access to their account information, providing accurate responses to tax-related inquiries, and collecting all the information needed to establish and maintain a taxpayer's account.

**Program Goals** Provide quality customer service to increase voluntary compliance by taxpayers.

	<i>Fiscal Year 1998 Actual</i>	<i>Fiscal Year 1999 Target</i>	<i>Fiscal Year 1999 Actual</i>
<b>Outcome Indicators</b>			
Average number of days from receipt of registration application to mailing of certificate	14	N/A	10
Level of access provided on toll-free taxpayer assistance line (total phone calls answered divided by total calls received)	43 %	N/A	47 %
Tax Practitioner Survey: percentage who indicated services improved	49 %	N/A	54 %
Tax Practitioner Survey: percentage who indicated services improved or stayed the same from previous year	88 %	N/A	94 %
Telephone Voice Response Unit's overall quality rating *	75	N/A	N/A
Toll-free taxpayer assistance queue time (minutes)	6.7	N/A	4.9
<b>External Benchmarks</b>			
Average Telephone Voice Response Unit quality rating for public & private sector organizations *	72	N/A	N/A
Average Voice Response Unit quality rating for government only *	70	N/A	N/A
<b>Output Indicators</b>			
Number of phone calls answered on toll-free taxpayer assistance line	576,644	N/A	713,827
Number of Individual Income Tax Returns Filed	5,404,670	5,550,000	5,699,948
Number of Business Income Tax Returns Filed	456,089	N/A	473,424
Number of Sales Tax registrants	244,200	N/A	242,339
Total number of registration applications received (approx.)	80,000	N/A	80,000
Number of active registration accounts	728,895	N/A	737,884
<b>Input Indicators</b>			
Number of personnel (includes full time staff and temporary employees on contract and on payroll)	153	152	152
Operating expenses (thousands)	N/A	\$7,963.4	\$7,963.4

### Explanatory Information

Includes the department's taxpayer services and taxpayer registration processes. Input indicators reflect direct costs and do not include administrative/support expenses.

\* One-time study conducted by Enterprise Integration Group. Study was not conducted in fiscal year 1999.

### Pharmaceutical Assistance

**Mission Statement** To help address catastrophic medication needs of qualified senior and disabled citizen participants at a low cost to the State of Illinois.

**Program Goals**

1. Improved effectiveness through increased efficiency.
2. Provide quality customer service to ensure voluntary compliance by claimants.
3. Address participant needs with covered catastrophic medications costs.

	<i>Fiscal Year 1998 Actual</i>	<i>Fiscal Year 1999 Target</i>	<i>Fiscal Year 1999 Actual</i>
<b>Outcome Indicators</b>			
Decrease in program cost compared to fiscal year 1991 (fiscal year 1991=\$70.2 million)	56 %	50 %	55 %
Increased state paid benefit per monthly card user compared to fiscal year 1991 (fiscal year 1991=\$449)	97 %	71 %	116 %
<b>Output Indicators</b>			
Average # of pharmaceutical monthly card users	35,181	46,214	32,215
Average # of prescriptions per monthly card user	41.5	37.8	42.4
<b>Efficiency/Cost-Effectiveness</b>			
Average annual benefits per monthly card user	\$884	\$766	\$972
<b>Input Indicators</b>			
Program Costs (millions)	\$34.1	\$35.4	\$31.3

### Explanatory Information

Figures represent grant costs only.